

Kentucky Business Guide

*An entrepreneur's guide to
starting or expanding your
business in Kentucky.*

1999



Kentucky Cabinet for Economic Development

Business Information Clearinghouse

1-800-626-2250

STARTING A BUSINESS IS SELDOM EASY!

STARTING A BUSINESS IS SELDOM EASY! You feel you have a good idea and the experience to make some money at it. So you pursue it But then it starts! Where do I get financing? What about some help in developing a business plan? What licenses do I need and where do I get them? What taxes do I have to pay? And where do I get the forms and applications for all these things?

The **Kentucky Business Guide** has been developed by the Cabinet for Economic Development to assist you through the maze of business start-up questions. The “Guide” will inform you of the basic federal and state licensing and tax requirements for a new business as well as where to call to determine what you need at the city and county level.

Also included is a list of agencies and services that provide assistance in the areas of financing, business plan development and marketing as well as resources which sponsor business workshops to help you become a better businessperson.

The **Guide** has been developed as a directional tool for the small businessperson in Kentucky; however, this does not imply that the agencies listed are the only resources available for good, solid assistance.

If you need additional information that is not contained in the “Guide,” please contact the Business Information Clearinghouse in the Cabinet for Economic Development. We will assist you.

Business Information Clearinghouse
Division of Business and Entrepreneurship Development
Department of Community Development
Cabinet for Economic Development
Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4252 ext. 4202
800-626-2250 (in Kentucky)
www.state.ky.us/edc/bic.htm

BUSINESS START-UP CHECKLIST

DETAILS! DETAILS! AND MORE DETAILS! When you decide to open your own business, suddenly, all of the details you took for granted when you worked for someone else are now your responsibility.

The **Business Start-up Checklist** is a general guide listing some of the chores you will find yourself performing before that happy Grand Opening Day. Obviously, the type of business you are opening will have an effect on when and if you perform some of the items on the list. Also, the order may vary as well. However, the list is a good tool for acquainting the potential new businessperson with the basic steps in opening the doors for a new business.

1. Choose the Product or Service
2. Develop a Business Plan
3. Present Business Plan to Finance Source (Financial Institution or Investors)
4. Obtain Adequate Finance Commitments
5. Choose Business Name
6. Open A Business Checking Account
7. Obtain Necessary Licenses/Permits - Including Tax Accounts, Sales Tax, State and Federal Withholding, etc.
8. Secure Lease for Place of Business
9. Contract for Renovations
10. Obtain Adequate Insurance - Fire and Theft, Liability, Workers' Compensation, etc.
11. Order Utilities
12. Secure Equipment, Machinery, Furniture and Fixtures
13. Order Inventory
14. Hire Appropriate Employees
15. Plan and Schedule Grand Opening
16. Grand Opening

QUESTIONS TO BE ANSWERED IN YOUR BUSINESS PLAN

Developing a business plan is the most important step to opening your business. A good business plan allows you to look at your business objectively and see where the strengths and weaknesses are before opening.

You should update your business plan annually and review the plan before making any major changes in your business.

The business plan is used by financial institutions as part of your financial package and will more than likely become part of or accompany any loan applications you submit as a business person. Remember, a business plan represents you. Be sure that it looks professional.

Below is a list of questions developed by the National Center for Research in Vocational Education, Ohio State University, (Ashmore 67) which provides you with the questions that a business plan should answer.

1. *Description of the Business*

- a. What type of business are you planning?
- b. What products or services will you sell?
- c. What type of opportunity is it (new, part-time, expansion, seasonal year-round)?
- d. Why does it promise to be successful?
- e. What are the growth opportunities?

2. *Marketing Plan*

- a. Who are your potential customers?
- b. How will you attract and hold your share of the market?
- c. Who are your competitors? How are their businesses prospering?
- d. How will you promote sales?
- e. Who will be your best suppliers? Why?
- f. Where will the business be located?
- g. What factors will influence your choice of location?
- h. What features will your location have?
- i. How will your building contribute to your marketing strategy?
- j. What will your building layout feature?

3. *Organization Plan*

- a. Who will manage the business?
- b. What qualifications will you look for in a manager?
- c. How many employees will you need? What will they do?
- d. What are your plans for employee hiring, salaries and wages, benefits, training and supervision?
- e. How will you manage finances?
- f. How will you manage record keeping?
- g. What consultants or specialists will you need? Why will you need them?
- h. What legal form of ownership will you choose? Why?
- i. What licenses and permits will you need?
- j. What regulations will affect your business?

4. *Financial Plan*

- a. What is your total estimated business income for the first year?
Monthly for the first year? Quarterly for the second and third years?
- b. What will it cost you to open the business and sustain it for eighteen months of operation?
- c. What will be your monthly cash flow during the first year?
- d. What will your personal monthly financial needs be?
- e. What sales volume will you need in order to make a profit during the first three years?
- f. What will be the break-even point?
- g. What will be your projected assets, liabilities and net worth on the day before you expect to open?
- h. What will the capital value of your equipment be?
- i. What will your total financial needs be?
- j. What will your potential funding sources be?
- k. How will you use the money from lenders or investors?
- l. How will the loan be secured?

To order an outline of a business plan which will fit most business operations, contact:

Kentucky Cabinet for Economic Development
Division of Small and Minority Business
Department of Community Development
67 Wilkinson Boulevard
Frankfort, Kentucky 40601
Phone: 502 564-2064
www.state.ky.us/edc/smbd.htm

Cost: \$2.00. Make checks payable to Kentucky State Treasurer.

STRUCTURING YOUR KENTUCKY BUSINESS

One of the first decisions you will have to make when starting your business will be choosing what legal structure will be right for your particular business. There are basically four options from which to choose: sole proprietorship, partnership, corporation and limited liability company. The choice you make is not forever binding and can be changed if your business needs and conditions change.

Following the sections on Structuring Your Kentucky Business and Protecting Your Business are charts that describe each type of business structure, description of the various business organizations, cost involved in forming each structure, where to file the business name and the type of taxes to be paid.

Listed below are the definitions of the four basic structures.

SOLE PROPRIETORSHIP

A sole proprietorship is the simplest form of business organization. The business has no existence apart from you, the owner. Its liabilities are your personal liabilities and your proprietary interest ends when you die. You undertake the risks of business to the extent of all assets, whether used in the business or personally owned.

In Kentucky, you do not have to file with either the Secretary of State or the county clerk in order to form a sole proprietorship unless you are conducting business under an assumed name. In that instance, you would need to file an assumed name with your local county clerk's office. The Secretary of State does not file an assumed name for a sole proprietorship.

When you figure your taxable income for the year, you must add in any profit or subtract any loss you have from your sole proprietorship. You must report the profit or loss from each of your businesses operated as a sole proprietorship on a separate Schedule C (Form 1040). The amount of this business profit or loss is entered as an item of profit or loss on your Federal Individual Income Tax Return Form 1040 and your state income tax return Form 740. Any net profit of \$400 or more is subject to self-employment tax. (Social Security Tax for self-employment.)

PARTNERSHIP

General Partnership

A general partnership is the relationship existing between two or more persons who join together to carry on a trade or business with each person contributing money, property, labor or skill and each expecting to share in the profits and losses of the business. Any number of persons may join in a partnership.

You and each of your partners are personally liable for all business debts and, to a certain point, liable for certain acts of your partners. Each partner can incur debts, sign contracts and make business obligations.

It is best to consult an attorney when drawing up your partnership agreement so that each partner clearly understands in the beginning what rights and obligations each partner has to the business.

In Kentucky, you are not required to file with either the Secretary of State or the county clerk in order to form a general partnership. However, if your general partnership is conducting business under a name other than its 'real name,' you would need to register such assumed name with the Secretary of State and with each local county clerk's office wherein business will be conducted or transacted.

Limited Partnership

A limited partnership has one or more general partners responsible for managing the business and liable for the total debts incurred. This type of partnership also includes one or more limited partners who are liable only to the extent of their investment. Again, it is best to consult an attorney when forming your limited partnership.

In Kentucky, a limited partnership must file a Certificate of Limited Partnership with the Secretary of State, in order to form such partnership.

A Foreign Limited Partnership doing business in Kentucky must also register with the Secretary of State. Once the “real name” of a Limited Partnership is registered with the Secretary of State, it may also file a Certificate of Assumed Name if it is doing business under another name.

CORPORATION

General Corporation

A corporation is the most complex form of business structure. A corporation has a life separate from its owners and has rights and duties of its own. It is owned by its stockholder(s), but is not necessarily managed by a stockholder. It is organized under Kentucky state law.

A corporation is liable for its own debts and taxes and generally free to retain or distribute its income. The stockholders and company officials are almost always protected from personal loss, other than their investments in company stock, if the company goes out of business.

A corporation is governed by its Articles of Incorporation and Bylaws. The corporation's articles must be prepared in compliance with Kentucky statutes, according to the specific needs of each corporation and submitted to the Secretary of State for filing. No forms for Articles of Incorporation are provided. Since the forming of a corporation is principally governed by statute, it may be wise to consult an attorney and/or accountant regarding the incorporation process, the advantages and disadvantages of incorporating and tax consequences.

Incorporating your business will require you to obtain additional license numbers and permits such as federal and state withholding accounts and corporation license and tax numbers. To obtain these applications, contact:

Business Information Clearinghouse
Cabinet for Economic Development
Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4252 ext.4202
800-626-2250 (in Kentucky)
www.state.ky.us/edc/bic.htm

Filing Process

The Articles of Incorporation must include:

1. the corporate name,
2. number of shares the corporation is authorized to issue,
3. name and address of the initial registered office and agent,
4. the mailing address of the corporation's principal office
5. the name and mailing address of each incorporator.

The registered agent must be one of these three - a Kentucky resident, Kentucky corporation or an out-of-state or **foreign corporation** authorized to do business in Kentucky. In all cases, the registered office must be identical to the business office of the registered agent. Such address must contain a street and number, if available or other specific location (highway, rural route, etc.). The address must consist of more than a post office box. One original and two copies of the Articles of Incorporation must be filed with the Kentucky Secretary of State along with the correct filing fee and organizational tax. The other two copies may be photocopies. Corporate bylaws are not filed with the Secretary of State.

After filing, the corporation will receive two **file-stamped** copies of the Articles of Incorporation from the Secretary of State. One **file-stamped** copy must then be filed with the county clerk of the county where the corporation's registered office is located.

For further information on incorporating a business in Kentucky, please contact:

Kentucky Secretary of State
Corporations Division
Capitol Building Room 152
Frankfort, Kentucky 40601
Phone: 502-564-2848 (Corporate Filings)
502-564-7330 (Corporate Records)
502-564-2848 (Corporate Name Availability)
www.sos.state.ky.us

S CORPORATION

An S Corporation is basically a small business corporation. The advantage in forming this type of corporation is that income is usually taxed in a manner similar to that of a partnership. The small business corporation usually pays no tax itself, because the earnings are divided among you and the owners (shareholders) according to each owner's share of the corporation stock. You pay tax on your share of the corporation's income, whether or not the total amount is received from the corporation.

Information regarding Kentucky tax laws may be obtained from:

Kentucky Revenue Cabinet
Corporate Tax Division
Station 52
200 Fair Oaks
Post Office Box 1302
Frankfort, Kentucky 40602
Phone: 502-564-8139
www.state.ky.us/agencies/revenue/revhome.htm

Information concerning the election of S Corporation status (formerly Sub Chapter S) may be obtained from:

U.S. Internal Revenue Service
Cincinnati, Ohio 45999
Phone: 1-800-829-1040

www.irs.ustreas.gov

Information on additional license/permit requirements for an S Corporation can be obtained from the Business Information Clearinghouse.

LIMITED LIABILITY COMPANIES

The Kentucky Limited Liability Company Act, which establishes the guidelines and requirements for the formation of a Limited Liability Company (LLC) in Kentucky went into effect July 15, 1994.

An LLC is a business structure that combines the principle business advantages of a corporation with the income tax treatment of a partnership.

The actual process for the formation of an LLC involves the filing of articles of organization with the Kentucky Secretary of State's Office. The articles of organization must include:

1. The limited liability company name.
2. The address of the initial registered office and the name of the initial registered agent.
3. The mailing address of the initial principal office.
4. A statement that the limited liability company has at least two or more members.
5. A statement that the limited liability company is to be managed by managers or is to be managed by members.
6. If the limited liability company is to have a specific date of dissolution. The latest date on which the limited liability company is to dissolve.

To obtain the necessary forms, call or write:

Kentucky Secretary of State
P.O. Box 718
Frankfort, KY 40602-0718
Phone: (502) 564-2848
www.sos.state.ky.us

PROCEDURES FOR A NONPROFIT CORPORATION

A nonprofit corporation is one whose income or profit is not distributed to its members, directors or offices. All of the income from the corporation's activities must be used only for the nonprofit activities of the organization. A nonstock, nonprofit corporation does not issue shares.

If the corporation intends to apply for tax-exempt status, they should contact the Internal Revenue Service prior to filing Articles of Incorporation. In such cases the Internal Revenue Service may require that certain information be set out in the Articles of Incorporation. The procedure for becoming a nonprofit organization is:

1. You must apply to the Internal Revenue Service stating you want nonprofit tax status. To apply, contact:

Internal Revenue Service
Cincinnati, Ohio 45999
Phone: 1-800-829-1040
www.irs.ustreas.gov

2. If you incorporate, indicate that you are filing as a non-stock, non-profit, corporation. Contact:

Kentucky Secretary of State
Capitol Building, Room 152
Frankfort, Kentucky 40601
Phone: 502-564-2848
www.sos.state.ky.us

3. Once you receive your nonprofit tax status from the Internal Revenue Service, you must apply to the Kentucky Revenue Cabinet for a purchase exemption number. (You must include a copy of the Internal Revenue Service letter stating that you qualify for nonprofit status.) To apply, contact:

Kentucky Revenue Cabinet
Station 53
Post Office Box 181
Frankfort, Kentucky 40602
Phone: 502-564-4580
www.state.ky.us/revenue/revhome.htm

MOVING OR EXPANDING YOUR CORPORATION TO KENTUCKY?

If you have a corporation outside Kentucky (foreign corporation) and plan to move or expand that corporation to do business in Kentucky, you are required to apply in Kentucky with the Kentucky Secretary of State.

The corporation must file one original and two copies of an application for Certificate of Authority. The application must be accompanied by a Certificate of Existence or similar document (certificate of **good standing**) from the Secretary of State or other proper officer of the state or country under which it is incorporated. One **filed-stamped** copy must also be filed with the county clerk of the county in which the registered office in Kentucky is located. Forms for filing an application for Certificate of Authority may be obtained at the Secretary of State's office.

For further information, please contact:

Kentucky Secretary of State
Corporation Division
Capitol Building, Room 152
Frankfort, Kentucky 40601
Phone: 502-564-2848
www.sos.state.ky.us

TIP TO REMEMBER

Although this guide defines the four basic forms of business structure, it is good, sound business judgment to seek both business and legal advice from an accountant and attorney before starting a business. The particular structure you choose may save you money.

STRUCTURING AND LICENSING YOUR BUSINESS IN KENTUCKY

Type of Organization	Description of Organization	Cost of Establishing	Where to File Business Name	Taxes
Sole Proprietorship	Simplest form of business No existence apart from you the owner Business liabilities are your liabilities (both personal and business)	Cost varies at county level	File Assumed Name with County Clerk where business is conducted or transacted.	Profit or loss on personal income tax
Partnership General	Two or more individuals own the business Each partner contributes time, money, property, labor or skill All partners are liable for business debts and to a certain point, liable for certain acts of the partner Each partner can incur debt, sign contracts and make business obligations Recommend drawing up a legal partnership agreement through an attorney.	1) Varies (may have legal fees if using an attorney) 2) \$20 to file Assumed Name Certificate	1) Kentucky Secretary of State and County Clerk if operating under an assumed name 2) Federal Employer Identification Number (EIN)	Necessary to file a Partnership Return that includes the EIN (each partner files an individual return)
Partnership Limited	Has one or more general partners responsible for managing the business and liable for total debts incurred.	1) \$40 domestic; \$60 foreign, to file as a Limited Partnership with the Secretary of State 2) \$20 for Assumed Name Filing 3) Cost varies at County level	1) Same as General Partnership for Assumed Name filing 2) Must have an EIN number 3) Draft "Certificate of Limited Partnership" 4) File "Limited Partnership Certificate" with Secretary of State	Same as General Partnership

Type of Organization	Description of Organization	Cost of Establishing	Where to File Business Name	Taxes
Corporation General	<p>Life separate from owners and has rights and duties of its own</p> <p>Owned by stockholders, but not necessarily managed by a stockholder</p> <p>Liable for its own debts and taxes</p> <p>As a general rule, can distribute or retain income</p> <p>No forms provided for drawing up Articles of Incorporation in Kentucky</p> <p>Wise to Consult an attorney and/or accountant before incorporating</p>	<p>Varies (usually requires an attorney to write Articles of Incorporation)</p> <p>1) \$40 filing fee for Articles of Incorporation with Secretary of State plus organizational tax (minimum fee 1,000 shares or less is \$50)</p> <p>2) \$20 Assumed Name filing</p> <p>3) \$15 Annual Report fee with Secretary of State</p>	<p>1) Secretary of State</p> <p>2) County Clerk</p> <p>3) IRS Employers Identification Number</p> <p>4) State Revenue Cabinet Withholding, Corporation Income License & Tax</p> <p>5) May require Unemployment Insurance</p> <p>6) Workers Compensation (may be required for stockholders)</p> <p>7) Other depending on type of business involvement</p>	<p>1) Required filing of separate return</p> <p>2) Corporation taxed on different tax scale from personal taxes</p>
S Corporation (Small Business Corporation)	<p>Basically a small business corporation</p> <p>Formed the same as a regular corporation</p> <p>Advantage to a S Corporation status rather than General Corporation is that it:</p> <p>1) is taxed in a manner similar to that of a General Partnership</p> <p>2) provides the same protection to the individual stockholders as a General Corporation</p> <p>3) is formed the same as a General Corporation</p>	Same as General Corporation	Same as General Corporation (except the S Corporation election must be file with the IRS)	Corporation usually pays no taxes itself, because earnings are divided among the shareholders

Type of Organization	Description of Organization	Cost of Establishing	Where to File Business Name	Taxes
Limited Liability Company (LLC)	The Kentucky Limited Liability Company is a structure that combines the principle business advantages of a corporation with the income tax treatment of a partnership.	1) \$40 filing fee for Articles of Organization 2) \$20 for Assumed Name filing 3) \$15 Annual Report fee with the Secretary of State	Secretary of State and County Clerk	Organizational structure of the LLC determines its income tax status. (a) If LLC resembles a partnership, it will be taxed as a partnership. (b) If favors a corporation, it will be taxed as a corporation.

FILING YOUR BUSINESS NAME

When you operate a business in Kentucky as an individual proprietorship under a name other than your own or your **real name**, you are required to file a Certificate of Assumed Name with your local county clerk's office.

When you operate a business as a corporation, general partnership or limited partnership, the name you choose should be checked for its availability in the Secretary of State's Office before it is used. The type of business structure you choose to operate within will determine if and where you need to file your business name.

SOLE PROPRIETORSHIP

A sole proprietorship operating a business under an assumed name, a name other than an individual's **real name**, files a Certificate of Assumed Name with the county clerk's office where the business will be conducted. The certificate you file should state the assumed name under which the business will be conducted, the **real name** of business and the business address. Usually, forms for filing can be obtained through the county clerk's office. The Secretary of State's office does not file an assumed name for a sole proprietorship.

PARTNERSHIP

General Partnership

A general partnership operating a business under an assumed name, a name other than its **real name**, files a Certificate of Assumed Name with the Secretary of State's office first and thereafter with each county clerk where the business will be conducted under such assumed name. Certificate of Assumed Name forms for a general partnership may be obtained from the Secretary of State.

Limited Partnership

A limited partnership that is formed, files a Certificate of Limited Partnership under its **real name** as stated in its Certificate of Limited Partnership.

CORPORATION

Domestic Corporation

A corporation formed in Kentucky must register its corporate name by filing Articles of Incorporation in the Secretary of State's office. Again, there are no forms for Articles of Incorporation provided.

Foreign Corporation

A foreign corporation (defined as any corporation incorporated under the laws of another state or country) that is conducting business in Kentucky must make application for a Certificate of Authority with the Secretary of State's office under its **real name**. If the name of a foreign corporation is not **distinguishable** from that of another name presently on file with the secretary of State, the corporation must adopt a resolution of its board of directors authorizing it to do business under a fictitious name in Kentucky. Forms for application for Certificate of Authority may be obtained at the Secretary of State's office.

RESERVATION OF NAME

You may reserve a name before forming your corporation or partnership by filing a Reservation of Name, which is effective for 120 days and may not be renewed. Forms for Reservation of Name may be obtained at the Secretary of State's office.

ASSUMED NAME

Any corporation, limited partnership or business trust that has filed its **real name** with the Secretary of State and is conducting its business under another name, must file a Certificate of Assumed Name with the Secretary of State and thereafter, with each county clerk where the business will be conducted under such assumed name.

NAME AVAILABILITY

You may request a preliminary name availability check by contacting the Secretary of State's office. The preliminary name check is not required; it is not binding on the Secretary of State and does not give a business the right to use the name. By law, a name must be **distinguishable** from one already on file with the Secretary of State. The name will not be available for use until the Secretary of State has issued or filed one of the following:

1. Reservation of Name
2. Returned **file-stamped** Articles of Incorporation
3. Returned **file-stamped** Application for Certificate of Authority of a Foreign Corporation or a registration of a Foreign Limited Partnership
4. Returned **file-stamped** Certificate of Kentucky Limited Partnership
5. Returned **file-stamped** Certificate of Assumed Name.
6. Returned **file-stamped** Articles of Organization of Limited Liability Company Certificate of Authority for Foreign Limited Liability Company

TIPS TO REMEMBER

The name you give any stock corporation in Kentucky must contain one of the following words: CORPORATION, INCORPORATED, COMPANY or LIMITED or an abbreviation thereof.

The name you give any nonstock or not-for-profit corporation must also include the words CORPORATION, INCORPORATED or an abbreviation "INC". or COMPANY or the abbreviation "CO." However, if the word COMPANY or the abbreviation "CO." is used, it may not be immediately preceded by the word, "and" or the abbreviation "&."

ASSUMED NAME means any name of a business operating with a name other than its "real name."

For further information on name availability in Kentucky, please contact :

Kentucky Secretary of State
Corporation Division
Capitol Building
Frankfort, KY 40601
Phone: 502-564-2848 (Name Availability)
www.sos.state.ky.us

LICENSING YOUR BUSINESS

The following section addresses the three (3) areas of government and the agencies a new businessperson must deal frequently with when starting a business. Each section addresses generalities of licensing and only alerts you to specialized areas of business licensing you need to pay particular attention to before opening or expanding your business. The following does not list all requirements, only the highlights.

A good place to contact when determining your licensing requirements is the Business Information Clearinghouse. The Clearinghouse offers complete licensing information for opening a business in Kentucky and, in many instances, can provide you with the actual applications and forms you will need to obtain.

For complete state, federal and local licensing information contact:

Business Information Clearinghouse
Cabinet for Economic Development
Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4252 ext. 4202
800-626-2250 (toll free In Kentucky)
www.state.ky.us/edc/bic.htm

Determining what licenses are required for your specific business venture can be quite a task for a new or expanding businessperson. There are over 500 different licenses and permits at the state level alone. This does not include federal or local licenses your business may need.

Federal Licenses

It is unlikely that a small business owner will need any type of specialized license from the federal government other than an Employers' Identification Number (EIN). However, the following is a list of the activities that require special federal license.

Activity	Federal Agency
Rendering investment advice.....	Securities & Exchange Commission
Providing ground transportation as a common carrier.....	Interstate Commerce Commission
Preparation of meat products.....	Food & Drug Administration
Production of drugs or biological products.....	Food & Drug Administration
Making tobacco or alcohol.....	Treasury Department, Bureau of Alcohol, Tobacco and Firearms
Labeling.....	Federal Trade Commission
Making or dealing in firearms.....	Treasury Department, Bureau of Alcohol, Tobacco and Firearms
Radio or television broadcasting.....	Federal Communications Commission

State Licenses

A good place to contact when determining your licensing requirements is the Business Information Clearinghouse. The Clearinghouse offers complete licensing information for opening a business in Kentucky and, in many instances, can provide you with the actual applications and forms you will need to obtain.

For complete state, federal and local licensing information contact:

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Frankfort, Kentucky 40601
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800-626-2250 (toll free In Kentucky)
www.state.ky.us/edc/bic.htm

Local License and Tax Requirements

County - Local Requirements

Counties in Kentucky vary on regulations and permit requirements. Some counties have departmental offices, others do not. **As a general rule, the county or city clerk's office is a good place to begin seeking information on local requirements.**

Zoning

Many geographic areas are zoned for specific uses and a business may be subject to these local zoning requirements. Some businesses are excluded from residential zones or from close proximity to residential zones. Check with the local authorities before leasing or purchasing a business site to ensure compliance with the zoning requirements.

County Taxes

The county may require businesses to pay a county occupational tax. This tax, if applicable, will pertain to all those businesses within the county boundaries. In addition, some counties require employers to withhold an occupational tax on employees.

City Taxes

If your business is located within the city limits, you may be responsible for city occupational taxes. Businesses within the city limits may be subject to both city and county occupational taxes.

Local Business License

Each city and/or county has the option to require a local business license. This requirement is more frequent at the city level. This business license, where applicable, may be required of a retail, manufacturing or service firm or it may pertain to all three. The local governmental office will be able to assist business owners in obtaining a local business license if it is required.

Local License

In addition to a possible local business license, your business may require a specialized license. These licenses may be required at the city or county level. Some common examples of such licenses include a peddler's license, a jeweler's license or an insurance agent's license.

EMPLOYER RESPONSIBILITIES

Business Information Clearinghouse (BIC) Employee Packet

The Business Information Clearinghouse provides a basic state and federal employee application packet for new and expanding business in Kentucky. The packet includes:

- SS-4 (EIN) (Employer Identification Number Application)
- 10A100 Kentucky Tax Registration Application
- Sales and Use
- State Withholding
- Corporation License Tax
- Coal Severance
- UI-1 (Unemployment Insurance Application)
- Immigration Information
- Workers' Compensation Information
- Information on Americans with Disabilities Act

For an employee application packet, contact the Business Information Clearinghouse at 1-800-626-2250.

Federal Employer Responsibilities

Federal Social Security (FICA) Tax

The Federal Insurance Contribution Act (FICA) insures income for retired persons who have worked for a period of time before retirement. Both employers and employees pay FICA taxes on wages up to a yearly ceiling.

Federal Unemployment Employer Tax

Most employers are liable for filing an annual Form 940 under the Federal Unemployment Tax Act (FUTA). Employers may also be liable for making quarterly federal tax deposits. Reporting forms may be obtained from the Internal Revenue Service.

Federal Withholding Tax

Employers are responsible for withholding federal income taxes from employees' wages. Withholding is based on the employees' W4 Form.

Employer's Identification Number

The Internal Revenue Service (IRS) and Social Security Administration use an Employer Identification Number (EIN) to identify businesses on all returns, statements and other documents.

To apply for an EIN, you must file an SS-4 Form, which may be obtained from the Business Information Clearinghouse or your local IRS office.

The IRS conducts seminars and issues publications detailing the forms necessary to start a business.

For any questions concerning federal requirements and ordering tax forms, contact:

Internal Revenue Service

1-800-829-1040 (tax information)

1-800-829-3676 (order tax forms)

www.irs.ustreas.gov

Immigration Law

The Immigration Reform and Control Act of 1986 affects all American employers. All employers hiring a new employee must have the employee fill out an Employment Eligibility Verification Form and provide proof that he/she is a U.S. citizen or legal alien authorized to work in the U.S.

For further information and/or forms contact

Immigration and Naturalization Service

Attn: Employer Facts

425 I Street, N.W

Washington, D.C. 20536

<http://www.ins.usdoj.gov>

Americans With Disabilities Act (ADA)

The Americans With Disabilities Act (ADA), effective January 1992, affects virtually every business in the areas of employment practices and business accessibility to the public.

General Employment Requirements

ADA is a federal anti-discrimination law for individuals who are disabled. The ADA protects disabled individuals in the areas of:

- job application procedures
- hiring
- advancement
- discharge
- employee compensation
- job training
- restructuring the job site and job functions to reasonably accommodate the disabled.

Definition of "disabled" means

Individuals with a physical or mental impairment that greatly limits one or more major life activity (such as self care, seeing, walking, hearing, speaking, learning, etc.)

Compliance Deadlines

- Employers with 25 or more employees - Now.
- Employers with 15 or more employees - Now

For more information on ADA and what it means to you as a businessman and as an employer, contact:

Equal Employment Opportunity Commission (EEOC)

Office of Public Affairs

2401 East Street, N.W.

Washington, DC 20506

www.eeoc.gov

Building Codes, Zoning and ADA Public Access Requirements

New business locations and business locations under renovation may need to meet state building codes, local zoning requirements and Americans with Disabilities public access requirements. Even the **homebased** business, with no employees, may need to meet specific requirements for signs and parking.

These regulations can vary with each business location depending on:

- type of business
- location within the county or city
- employees
 - public access
 - type of structure

Listed below are the federal, state and local agencies you need to contact before opening your business or before renovating an existing business structure.

1. State:

State Building Inspector
Department of Housing, Buildings and Construction
Division of Building Code Enforcement
1047 U.S. 127 South
The 127 Building, Bay 1
Frankfort, Kentucky 40601
Phone: 502-564-8090
www.state.ky.us/agencies/housing/hbchome.htm

State Fire Marshal
Department of Housing, Buildings and Construction
Division of Fire Prevention
1047 U.S. 127 South
The 127 Building, Bay 1
Frankfort, Kentucky 40601
Phone: 502-564-3626
(*elevator, electrical, boiler and general requirements*)
www.state.ky.us/agencies/housing/divfire.htm

2. Local Building Requirements

Local County Clerk
(zoning and building codes)

3. Federal - (Americans with Disabilities Act - Public Accommodation Requirements)

Americans with Disabilities Act requires that businesses improve accessibility and/or eliminate or compensate for architectural barriers (such as doorways, stairs, water fountains, bathrooms,

eating accommodations, seating, curbs, sidewalks, parking, etc.) to the disabled in all commercial and public buildings and transportation systems.

Compliance Deadlines

1. Newly constructed buildings. - (open for first occupancy except if certified final building permit completed by January 26, 1992) - January 26, 1993
2. Renovating existing buildings. - January 26, 1992
3. Public accommodations and businesses employing 15 or more people. - July 26, 1994
4. Businesses employing 11 to 25 people. - January 26, 1992
5. Businesses with 10 or less employees. January 26, 1993

The law is complex but does allow for **readily achievable accommodations** to smaller and existing businesses. (**Readily achievable** is anything that is easy to do and of low cost while still achieving the goal of accessibility to the disabled.)

The Internal Revenue Service currently allows businesses up to \$5,000 in tax credits or \$15,000 in tax deductions for costs of removing architectural barriers to aid accessibility for the disabled or make the work place more accessible.

General information on complying with the Americans With Disabilities Act as well as an **Accessibility Checklist** is available from:

Cabinet for Workforce Development
209 St. Clair Street
Frankfort, Kentucky 40601
Phone: 1-800-372-7172 (Voice/TDD)
www.state.ky.us/agencies/wforce/index.htm

Environmental Permitting

The old saying **an ounce of prevention is worth a pound of cure** is certainly true when it pertains to meeting environmental licensing and permitting requirements.

Even the smallest of businesses may need to obtain an environmental permit or license. Businesses such as furniture refinishing, gasoline stations, heating and air conditioning repair, print shops, pest control and lawn chemical applicators, dry cleaners - are a few that must meet environmental regulations.

The Kentucky Natural Resources and Environmental Protection Cabinet offers assistance to new and expanding businesses in the area of environmental permitting through their Ombudsman's office and through the "One Stop Environmental Permit Coordinator." These offices can tell you what environmental permits, if any, are required for your business.

It will save your business money by complying in the beginning rather than paying for costly cleanups or fines.

For information on environmental permitting, contact:

One Stop Environmental Permit Coordinator
Office of the Commissioner
Department for Environmental Protection
14 Reilly Road
Frankfort, Kentucky 40601
Phone: 502-564-2150
www.state.ky.us/nrepc/nrhome.htm

Kentucky Pollution Prevention Center

KPPC is a waste management resource center that provides information on how to manage, recycle, procedure or exchange waste even the smallest businesses produce, such as dry cleaners or auto body shops. The service is free to all Kentucky businesses. They are located at the University of Louisville and provides a toll-free number for your convenience in calling:

KPPC
University of Louisville
420 Academic Building
Louisville, Kentucky 40292
Phone: 800-334-8635 ext. 7260
502-852-0965 (in Louisville)
www.louisville.edu.org/kppc

Business Environmental Assistance Program - Air Quality

Operated by the Center for Business Development at the University of Kentucky, this non-regulated program offers confidential air quality environmental assistance to businesses while also serving as an advocate for development of environmental regulations which promote economic competitiveness.

Services include environmental training seminars, publications to help businesses reduce air emissions through prevention techniques and on-site air quality environmental assessments to individual businesses. The center's reference library and toll-free phone line acts as a clearinghouse for information about techniques, products and equipment that businesses can use to prevent production and release of air pollutants. These services will help businesses comply with federal and state regulations including Title V of the Clean Air Act of 1990. For more information and assistance, contact:

Center for Business Development
Business Environmental Assistance Program for Air Quality
University of Kentucky
227 Carol M. Gattton College of Business and Economics Building
Lexington, Kentucky 40506-0034
Phone: 606-257-1131
800-562-2327
FAX: 606-323-1907
Gattton.gws.uky.edu/kentuckybusiness/kbeap/kbeap.htm

State Employer Responsibilities

The following responsibilities apply to those Kentucky employers who have one or more employees. The following requirements may also be required if your business is incorporated regardless of employee status. These forms may be obtained through the addresses listed below or by ordering the Business Information Clearinghouse's Employer License Packet.

State Unemployment Insurance Tax

Businesses must pay state unemployment insurance taxes for any calendar quarter in which they pay wages for at least a portion of one day in each week during the quarter or in which they pay \$1,500 or more, in wages or salaries to covered individuals.

The salaries of corporate officers are taxable. But, owners and partners in unincorporated businesses are classified as self-employed and their earnings are not included in the tax base. The total taxable wages annually for a business are the first \$8,000 of each employee's wages.

The tax rate for an individual business is assigned by the Kentucky Division of Unemployment Insurance. A new business pays at a rate of at least 3.0 percent of taxable wages during its first three years of operation to establish its state unemployment insurance account. Thereafter, its rate is based on its employment and layoff history and on the state tax tables then in effect.

When an existing business is sold, the new owner(s) assumes the unemployment insurance tax liability and tax rate of the previous owner.

Employers in the state must register with the Kentucky Department for Employment Services to establish a state unemployment insurance account. Contact:

Cabinet for Workforce Development
Division for Unemployment Insurance
275 East Main Street, 2nd Floor East
Frankfort, Kentucky 40621
Phone: 502-564-2900
www.state.ky.us/agencies/wforce/index.htm

State Withholding

As a small business owner, you are required to withhold state income taxes from the wages you pay to your employees. Taxes withheld are reported and paid to the State Revenue Cabinet each quarter. When the taxes withheld exceed \$900 per quarter, reports and payments must be made monthly. Contact:

Kentucky Revenue Cabinet
Station 53
Post Office Box 181
Frankfort, Kentucky 40602
Phone: 502-564-4580
www.state.ky.us/agencies/revenue/revhome.htm

Workers' Compensation

Any employer in Kentucky with one or more employees must provide Workers' Compensation insurance coverage for employees. Kentucky does not sponsor a state-run insurance program. Therefore, it is the employers responsibility to secure the insurance from a private insurance carrier. You can obtain additional information through your insurance agent or by contacting:

Department of Workers' Claims
Perimeter Park West, Building C
1270 Louisville Road
Frankfort, Kentucky 40601
Phone: 502-564-5550
www.state.ky.us/agencies/labor/wkrclaim.htm

State and Federal Mandatory Postings

Employers are responsible for posting the following required posters in a conspicuous location at the place of business. These posters can be obtained by contacting the following agencies:

State Mandatory Postings

Any business in Kentucky which has employees must display posters 1 through 3. Those posters can be acquired by writing or calling the respective divisions listed below:

1. Equal Employment Opportunity and You Kentucky Laws Requires Kentucky Commission on Human Rights

The Heyburn Building, Suite 700
332 West Broadway
Louisville, Kentucky 40202
Phone: 502-595-4020
800-292-5566

2. Wage and Hour Laws Poster Kentucky Child Labor Laws Wage Discrimination Because of Sex

Division of Employment Standards and Mediation
The 127 Building
1047 U.S. 127 South
Frankfort, Kentucky 40601
Phone: 502-564-2784

3. KOSH Safety and Health Protection on the Job
Kentucky Occupational Safety and Health
Division of Education & Training
1047 U.S. 127 South, Suite 4
Frankfort, Kentucky 40601
Phone: 502-564-6895

4. Special Posters if your business is involved in the following activities:
Noise Standard Regulation Posted in Businesses Under Hearing Conservation Program
Department of Labor
Education and Training Program
1047 U.S. 127 South, Suite 4
Frankfort, Kentucky 40601
Phone: 502-564-6895

Warning to Minors
Birth Defects Warning
Department of Alcoholic Beverage Control
1003 Twilight Trail, Suite A-2
Frankfort, Kentucky 40601
Phone: 502-564-4850

Contractor Notice TC 14-314
Nondiscrimination in Employment TC 14-313 -Federal Aid Road Act FHWA-1022 -Wage Rate
Information Federal Air Highway Project FHWA-1495 -Department of Army Nationwide Permits
Kentucky Transportation Cabinet
State Office Building, 10th Floor
Frankfort, Kentucky 40601
Phone: 502-564-4890

Asbestos, Part No. ASSIO
Department for Environmental Protection
14 Reilly Road
Frankfort, Kentucky 40601
Phone: 502-564-2150

License Form 73AI90
SP License Form 72AI42

GL License Form 72AO93
LP License Form 72AI46
Motor Fuel Transporter License
Sales and Use Tax Permit
Amusement Machine License Stamp Receipt
Kentucky Revenue Cabinet
Division of Tax Policy and Research
200 Fair Oaks
Frankfort, Kentucky 40601
Phone: 502-564-6843

Residential and Industrial Building Permits
Department of Housing, Buildings and Construction
1047 U.S. 127 South Bay I
Frankfort, Kentucky 40601
Phone: 502-564-9044

Federal Mandatory Postings

1. Family and Medical Leave Act of 1993
U.S. Department of Labor Wage and Hour Division
Gene Snyder U.S. Courthouse & Customs
601 West Broadway
Louisville, Kentucky 40202
Phone: 502-592-5226
2. Equal Employment Opportunity and You -Americans With Disabilities Act
EEOC
Public Information Center
PO Box 12549
Cincinnati, OH 45212-0548
Phone: 800-669-3362
(Mandatory in addition to State Postings)
3. Special Posters:
Minimum Wage and Overtime Poster
Employee Polygraph Protection Act WH Pub. 1462
Your Rights Under the Fair Labor Standards Act WH Pub. 1088
Working on Federally Financed Construction Projects
Migrant and Seasonal Agricultural Worker Protection Act U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division
Washington, DC 20210
Phone: 502-582-5226 - Louisville
Phone: 606-233-2416 - Lexington
(Mandatory in addition to State Postings on Wage and Hour)

Contract Labor

Many times employers who need someone occasionally or part-time wish to consider those employees **contract labor**. The best advice to give a businessperson considering **contract labor** is *proceed with caution*.

Today's cost of hiring an employee is expensive; to help cut costs, some businesspeople are using contract labor as a way to avoid the employer's taxes. Because of this practice, the IRS and State Tax Offices' determination of who is termed an **employee** and who can be considered **contract labor** has become more exact.

Contract labor under the state and federal tax code basically means a business using contract labor would be hiring another independent businessperson for a specific job.

Before you term a person(s) as **contract labor**, you need to review the twenty (20) question checklist developed by the IRS for detecting who is an independent contractor. The IRS has developed a form (SS-9, Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding) which lists the 20 questions you and the person you are hiring need to ask yourselves. More importantly, the application also allows you to determine whether or not the person you are hiring is an **employee** or **contract labor** before the fact.

For more information on contract labor, contact:

Internal Revenue Service
Washington, DC 20503
Phone: 1-800-829-1040
www.irs.ustreas.gov

Kentucky Department of Unemployment Insurance
Cabinet for Workforce Development
Human Resources Building
275 East Main Street
Frankfort, Kentucky 40601
Phone: 502-564-2900
www.state.ky.us/agencies/wforce/des/des.htm

Local Occupational Taxes

About one-fifth of Kentucky's cities and counties levy occupational license taxes on the net profits of businesses and on the salaries, wages and commissions of employees. Tax rates range from about 0.25 percent to 2.5 percent and some cities and counties place a cap on the amount paid annually by a business or an individual.

Businesses file returns and pay the tax on net profits (usually annually) to the city or county or both. When the tax is levied on payrolls, the business withholds taxes from the salaries and wages of its employees and submits them (usually quarterly) to the city or county or both.

STATE AND LOCAL TAXES

The tax responsibilities for a business can vary depending on the type of business, business structure, location and the presence of employees. This section addresses some of areas of taxation a business may be subject to and the agencies to contact for additional information.

Individuals, S Corporations and Partnerships

S Corporations and partnerships are generally exempt from Kentucky income taxes. Instead, the shareholders or partners pay state individual income taxes on their share of the earnings of the business, regardless of whether they take the income for their personal use or leave it in the business. Although S Corporations and partnerships have no state income tax liability, they must file information returns annually.

Kentucky individual income taxes (also called “personal income taxes”) are based upon net income after allowable deductions. Generally, exclusions from income and deductions are the same as those permitted for federal income tax purposes.

Kentucky tax rates on net taxable income:

First	\$3,000	2%
Next	1,000	3%
Next	1,000	4%
Next	3,000	5%
Over	8,000	6%

After deductions and the automatic allowance of credits for each exemption claimed, the effective rate for most Kentucky individual taxpayers averages about 3.0 percent to 5.0 percent of total income.

Resident owners of unincorporated small businesses that earn over \$5,000 each year without withholding for state income taxes and who have a state tax liability of \$200 or more must file estimates of income and make payments quarterly.

State Sales and Use Tax

Most small businesses are involved in the state sales tax as both a taxpayer and a tax collector.

Items subject to state sales tax in Kentucky include sales of retail and rental of personal property. Important exemptions from the tax include machinery and raw materials for manufacturing, farm machinery and purchases of most items used in commercial farming, motor fuels used for highway travel, most groceries, prescription medicines, certain packaged alcoholic beverages and sales to state and local governments. Although exempt from the sales tax, motor vehicles are subject to the 6% use tax.

All new businesses involved in retail sales and rental of personal property must obtain a sales and use tax permit.

Since the tax is paid by the final retail customer, a business does not pay the tax on items that it purchases for resale. Instead, the business gives a resale certificate to each of its suppliers. Some service businesses such as banks, dry cleaners and professional services are classified as consumers, not as retailers and they must pay sales tax on all purchases except items for resale. Likewise,

construction contractors are considered the final consumer of building materials used in construction projects. They pay sales and use tax on such purchases even when the construction contract is with a tax exempt government agency or non-profit charitable, educational or religious organization.

Generally, when a retail business in Kentucky is sold, the seller does not collect sales tax on the assets of the business if it remains intact with only a change in ownership.

The state sales tax rate is 6.0 percent and taxable sales of less than \$1.00 are taxed at bracketed levels set by state regulations. Local sales taxes are not levied in Kentucky.

A use tax is levied on items that are purchased out of state and brought into Kentucky for use by the business, except those items sold to customers.

Sales tax collected by businesses are filed and paid to the Kentucky Revenue Cabinet monthly. Some small businesses with limited sales tax collections may be allowed to file quarterly.

State Income Taxes

Corporations

Kentucky corporations pay state income taxes on their net income after allowable deductions. The deductions allowed for state income taxes are similar to those allowed for federal income taxes but with few important differences such as depreciation allowances.

In start-up years, corporations sometimes report a net loss for income tax purposes. These losses can be carried forward as deductions against Kentucky taxable income in future years.

Kentucky corporation income tax rates on net income:

First	\$ 25,000	-	4.0%
Next	25,000	-	5.0%
Next	50,000	-	6.0%
Next	150,000	-	7.0%
Over	250,000	-	8.25%

Corporations that expect their state income tax liabilities to total more than \$5,000 during their tax year are required to file estimates and make quarterly installment payments. The tax year of a corporation for Kentucky income taxes must be the same as the one used for federal income taxes.

Corporate tax years typically begin on the first day of the month in which the corporation files its Articles of Incorporation, but federal regulations allows new corporations to set their tax years on a calendar year basis.

State and Local Property Taxes

Most of the assets owned by a business in Kentucky are subject to property taxes annually. Included are real estate (land and buildings), tangible personal property (such as equipment, fixtures, furniture, inventories and motor vehicles) and intangible personal property (such as accounts receivable and money on hand and not on deposit). Property taxes on leased property usually are paid by the owner of the property, although sometimes a lease may call for the user to pay the property taxes.

All taxable property in Kentucky is taxed by the state. Cities, counties and school districts are allowed to tax only certain classes of property.

Property is assessed for taxes at 100 percent of the value of property owned on January 1. The assessed value is set by the county Property Valuation Administrator (PVA) based on a report filed by the business.

Since there are dozens of classes of taxable property, several tax rates are in effect at any single location in Kentucky. The range of rates varies considerably from district to district. Specific rates for a particular location should be checked with the county Property Valuation Administrator (PVA) of that county.

**1997 State Rates and Average Local Rates for
Selected Classes of Property**

Class of Property	State	Counties	Cities	Schools
Land and Buildings	\$0.157	\$0.209	\$0.217	\$0.471
Tangible Personal Property				
Manufacturing Machinery	0.150	None	None	None
Raw Materials & Works in Progress	0.050	None	None	None
Finished Goods	0.050	Optional	Optional	0.476
In Transit Goods Originating				
Out-of-State	0.001	Optional	Optional	Optional
Motor Vehicles	0.450	0.227	0.250	0.540
Other (Equipment, Furniture, Fixtures, etc.)	0.450	0.236	0.249	0.476
Intangible Personal Property	0.250	None	None	None

The property taxation process in Kentucky normally occurs in the following sequence:

- A. Between January 1 and March 1, the business owner reports the value of real property that the business owned on January 1 to the county PVA. *
- B. The county PVA sets the assessed value for tax purposes. Local assessment rolls are open for public inspection for a few days in the spring.
- C. During the summer, the counties, cities and school districts set their property tax rates for the year. State rates are set by state law.
- D. Property tax bills are prepared and mailed to taxpayers in the late summer to early fall months. Businesses located in cities receive a separate bill for city property taxes.
- E. Businesses are allowed a 2.0 percent discount on their property taxes paid before November 1. Full payment is due by December 31 and payments made after that date are subject to penalties.

*Personal property, tangible and intangible, should be reported on or before April 15.

State Corporation License Tax

Kentucky corporations pay a state license tax annually on the capital they use in their businesses. Most financial institutions, insurance companies, transportation carriers and utility companies are exempt from the tax.

Taxable capital used by a corporation in Kentucky includes capital stock, surplus, borrowed funds, advances by affiliated companies and intercompany accounts. The taxable value is the value of these accounts on the company's books on the last day of its tax year.

The tax rate is \$2.10 per \$1,000 of capital employed, with a minimum tax of \$30 annually. A corporation with a gross taxable income of \$500,000 or less pays the state license tax at a rate of \$0.70 per \$1,000 on the first \$350,000 of capital employed and \$2.10 per \$1,000 on capital in excess of \$350,000.

State Corporation Organization Tax

Kentucky corporations pay a one-time state tax on their capital stock when they incorporate. The tax is also paid on any new shares of stock created when amended Articles of Incorporation are filed at later dates.

<i>Shares of Stock</i>	<i>Tax Per Share</i>
First 20,000	\$0.01
20,001 through 200,000	.005
Over 200,000	.002
Minimum tax	10.00

Other State and Local Taxes

Other state and local taxes apply only to limited types of businesses or they are paid either by only a few wholesale distributors or by customers at the point of purchase. Included are taxes on alcoholic beverages, amusement machines, cigarettes, hazardous wastes, horse racing, insurance companies, minerals severed, motor fuels and motor vehicle sales.

Local taxes on hotel and motel room charges and on restaurant sales are paid by the consumer at the point of service. The businesses providing these services collect the taxes and pay them to the appropriate local government agency.

Where to go for Assistance with Taxes

For information on Kentucky state and local taxes, reporting dates and tax forms, contact the following:

- State Income tax, state sales and use tax and state corporation license tax
Kentucky Revenue Cabinet
Taxpayer Assistance Office
200 Fair Oaks Lane
Frankfort, Kentucky 40602
Phone: 502-564-4581
www.state.ky.us/agencies/revenue/revhome.htm
- State and local property taxes
Kentucky Department of Property Taxation
200 Fair Oaks Lane
Frankfort, Kentucky 40602
Phone: 502-564-8338
www.state.ky.us/agencies/revenue/revhome.htm
- State unemployment insurance tax
Kentucky Department for Employment Services
Division of Unemployment Insurance

275 East Main Street
Frankfort, Kentucky 40601
Phone: 502-564-2900
[www.state.ky.us/agencies/
wforce/des/des.htm](http://www.state.ky.us/agencies/wforce/des/des.htm)

- State corporation organization tax

Kentucky Secretary of State Corporations Division
Capitol Building Room 152
Frankfort, Kentucky 40601
Phone: 502-564-2849
www.sos.state.ky.us

- Local occupational license taxes, local property tax rates, local hotel and motel taxes, local restaurant taxes and local licenses and permits

City Clerk and County Court Clerk

City clerks' offices are located in municipal buildings (usually City Hall) and county court clerks' offices are normally located in the county courthouse or other county office buildings. In a few of Kentucky's larger communities, local taxes are administered by separate tax departments or finance offices.

Tax Workshops

Federal

The U.S. Internal Revenue Service (IRS) conducts workshops to explain the federal taxes that affect small businesses. Typically, a workshop includes discussions of the following topics:

- Tax advantages and disadvantages of sole proprietorships, partnerships and corporations.
- The basics of preparing business tax returns.
- How to withhold and make deposits of federal taxes.
- What records need to be kept and how good records benefit businesses.
- How the IRS works: services, tax examinations, appeal rights and penalties a business may incur.

If you wish to attend an IRS tax workshop, contact:

Taxpayer Education Coordinator
Internal Revenue Service
Post Office Box 1216, Stop 531
Louisville, Kentucky 40201
Phone: 502-582-6259
1-800-829-1040 (ask for ext. 6259 in Louisville)
www.irs.ustreas.gov

In some cases, a workshop may not be immediately available: but you will be notified when one can be scheduled in your area. These workshops generally include state and local officials who address state and local taxes.

State

The Kentucky Revenue Cabinet has offices in Frankfort and taxpayer service centers in 11 cities and towns in Kentucky. Employees are located in the service centers to answer tax questions and provide assistance. The office locations and telephone numbers are listed below.

Also, the Revenue Cabinet has an education and training coordinator who is developing workshops to help small businesses have a better understanding of state tax laws. To request a workshop, contact:

Training and Development Branch
Kentucky Revenue Cabinet
200 Fair Oaks Lane
Frankfort, Kentucky 40602
Phone: 502-564-1584
www.state.ky.us/agencies/revenue/revhome.htm

SERVICE CENTER ADDRESS		PHONE	FAX
Ashland	134 16 th Street	606-920-2037	606-920-2039
Bowling Green	1502 Western Avenue	502-746-7470	502-746-7847
Corbin	1707 18 th Street	606-528-3322	606-523-1972
Florence	7310 Turfway Road	606-371-9049	606-371-9154
Hazard	233 Birch Street	606-435-6017	606-435-6018
Hopkinsville	105 Hammond Plaza	502-889-6521	502-889-6563
Lexington	301 East Main Street	606-246-2165	606-246-2164
Louisville	620 South Third Street	502-595-4512	502-595-4205
Owensboro	401 Frederica St., Ste 201	502-687-7301	502-687-7244
Paducah	555 Jefferson Street	502-575-7148	502-575-8027
Pikeville	5333 North Mayo Trail	606-433-7675	606-433-7679

STATE AND LOCAL TAX ADVANTAGES FOR SMALL BUSINESS OWNERS

Every business owner should take advantage of any incentive program that could result in an added financial benefit to the business. While many of the programs listed are available to any business, some may specify the creation of jobs to qualify.

State Income Taxes (Corporate and Individual)

- Credit of \$100 for each unemployed person hired at least 180 days.
- Credit of up to 4.5 percent of the value of Kentucky coal used for industrial heating or processing.
- Tax loss carry-forward (up to 20 years) and carry-back (2 years).
- Deduction of federal income tax payments (individual income tax only).
- Credit of \$20 for each exemption claimed, with additional credits for individuals age 65 or over, for blindness and for membership in the Kentucky National Guard (individual income tax only).
- Exemption of small business "S" Corporations from state income taxes, unless capital gains exceed certain levels.

State and Local Property Taxes

- Assessment of property for taxation is made only once annually (January 1, for all taxing jurisdictions except Ashland), allowing businesses to plan purchases of assets and levels of inventories to their best tax advantage.
- State statutes limit the increase in property tax revenues from real estate, exclusive of new property, to 4 percent annually for each tax in jurisdiction (state, county, city, school district). Any larger increase must be approved by voters.
- Cities and counties may grant a five-year moratorium from raising of property tax assessments on commercial property that is 25 years old or older and undergoing rehabilitation.
- Cities may exempt the property of a new manufacturing facility from city taxes for up to five years.
- Cities and counties may levy a rate on business inventories less than the prevailing rate of taxation on other tangible personal property in their jurisdiction.
- Cities, counties and other taxing districts may exempt or reduce the tax rate on. In-transit personal property held in a distribution center pending shipment to an out-of-state destination.
- Exemption of manufacturing machinery and pollution control equipment from all local property taxes. The state rate is only 15 cents per \$100 of assessed value.
- Exemption of raw materials and goods in process of manufacturing from all local property taxes. The state rate on these inventories is only five cents per \$100 of assessed value.
- Exemption of personal property located in a foreign trade zone from all local property taxes. The state rate is only 1/10 of one cent per \$100 of assessed value.
- Agricultural and horticultural land is assessed according to its value as it is used and not upon its potential value for development for commercial, residential or other non-agricultural purposes.

- Accounts receivable reported for property taxes are reduced by 15 percent (as an allowance for bad debts) when the assessed value is achieved.

State Sales Tax

- State Sales Tax only; no local sales taxes in Kentucky.
- Some exemptions for small businesses include:
 - Items purchased for resale.
 - Motor fuels for highway use.
 - Containers in which products are sold.
 - Machinery for new and expanded manufacturing operations.
 - Raw materials, industrial supplies and industrial tools.
 - Energy and energy producing fuels to the extent they exceed three percent of the cost of production in manufacturing.
 - Certified pollution control equipment.
 - Manufacturing and mining machinery sold to out-of-state customers. Machinery used for the extraction of minerals ores, coal, clay, stone and natural gas.
 - Purchases made by motion picture companies in filming and producing motion pictures.
 - Feed, seed, fertilizer, farm machinery, agricultural fuels, on-farm grain drying facilities and livestock for breeding purposes.

State Inheritance Taxes

- Exemption of the estate passing to a surviving spouse from all Kentucky inheritance taxes, helping family-owned small businesses to continue operating.

State Financing Assistance

- Low-interest subordinated state loans for fixed asset acquisition for manufacturing, agribusiness, tourism and selected service industry projects.
- Low-interest SBA guaranteed loans to small businesses, up to 40% of fixed asset costs, by the Commonwealth Small Business Development Corporation.
- State community development block grants to communities for loans to partly finance private business projects that benefit persons with low or moderate incomes.

Business Laws and Regulations

- Tiering of state administrative regulations to fit the circumstances of different levels of businesses being regulated. This reduces or eliminates record keeping, reporting and inspections for some businesses. Recovery of up to \$10,000 in legal fees by businesses that win certain civil actions made by or against the Commonwealth of Kentucky:
 - a. Civil lawsuits made by the state.
 - b. Lawsuits against the state challenging the assessment or collection of taxes.
 - c. Court reviews of decisions by state administrative review boards.
- A state product liability law that protects Kentucky businesses from unreasonable awards for damages. Features include:
 - a. Presumption of non-defect eight years after the product is manufactured and five years after it is sold the first time.
 - b. Presumption of non-defect if the product was designed, manufactured and tested according to standards prevailing at the time.

- c. Plaintiff liability in cases of (1) failure to exercise ordinary care in use, (2) unauthorized alteration or modification of the product or (3) failure to observe routine care and maintenance.
- d. Wholesalers, distributors and retailers cannot be hold liable simply by being in the sales chain.

NEW LOCATION AND EXPANSION OF EXISITING KENTUCKY BUSINESS

Kentucky Cabinet for Economic Development Regional Offices

A major initiative of the Kentucky Cabinet for Economic Development is to focus attention on Kentucky's existing and expanding industries and to assist communities in preparing for economic development possibilities. The retention and growth of existing industries is an important component of job creation efforts.

Located in Prestonsburg, Madisonville and Frankfort, the Kentucky Cabinet for Economic Development's three regional offices uniquely serve Kentucky's existing businesses and industry base.

Their strategic location allows the offices economic development specialist to become familiar with area businesses, communities and local leaders in economic development. Specialists in the offices offer the following assistance to Kentucky businesses:

- On-going statewide industry visitation program
- Identification and monitoring of industry expansion activities in Kentucky
- Access to financial loan and incentive programs for job creation and expansion activities
- Identify concerns and resolve problems that may be inhibiting growth of a company such as infrastructure needs, environmental concerns, labor and transportation issues and permit assistance.

EAST KENTUCKY ECONOMIC DEVELOPMENT DIVISION

P.O. Box 389, 123 South Lake Drive

Prestonsburg, Kentucky 41653

Phone: (606) 886-0169

(800) 928-0169

FAX: (606) 886-1462

WEST KENTUCKY ECONOMIC DEVELOPMENT DIVISION

145 East Center Street, Suite 2B

Madisonville, Kentucky 42431

Phone: (502) 824-7053

(800) 928-9200

FAX: (502) 824-7056

CENTRAL KENTUCKY ECONOMIC DEVELOPMENT DIVISION

Hoge House

302 Wilkinson Street

Frankfort, Kentucky 40601

Phone: (502) 564-5891

(800) 847-4251

FAX: (502) 564-5975

DEPARTMENT OF JOB DEVELOPMENT

The Department is responsible for coordinating the recruitment and attraction of industries that will enhance the overall viability of the state's economy. The Department consists of the Industrial Development Division; the Site Evaluation Division; and three Representative Development offices - a Far East office in Tokyo, Japan, and a European office in Brussels, Belgium.

Department of Job Development
Cabinet for Economic Development
500 Mero St., 2300 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7140
800-626-2930
www.state.ky.us/agencies/edc/job.htm

Available Financial Incentive Programs

Industries expanding their employment may be eligible for tax incentives. To see if your expansion qualifies contact one of the three Regional Offices. (**A minimum number of jobs must be created as determined by the Kentucky Cabinet for Economic Development.**)

Kentucky Industrial Development Act (KIDA) which provides tax incentives to manufacturers that locate or expand operations in Kentucky.

Kentucky Industrial Revitalization Act (KIRA) which provides tax incentives to existing manufacturing companies faced with imminent closure due to lack of productivity or profitability caused by outdated equipment.

Kentucky Rural Economic Development Act (KREDA) which provides tax incentives to new or existing manufacturing companies that locate or expand operations in counties suffering from high rates of unemployment.

Kentucky Jobs Development Act (KJDA) which provides tax incentives to new or expanding service and technology oriented companies with services directed primarily outside of Kentucky.

Tourism Development Sales Tax Credit Act (KTDA), which provides sales tax incentives to tourism development attractions with substantial economic impact.

Kentucky Investment Fund Act (KIFA), which encourages venture capital investment by certifying a pool of venture capital funds which are required to make certain investments in the development of small businesses in Kentucky. The program certifies privately operated venture funds where investors would be entitled to tax credits equal to 40% of their capital contributions to the fund (but no more than 25% in any one year). The Kentucky Investment Fund replaces the Commonwealth Venture Fund established in 1988.

Skills Training Investment Credit Act (STICA), allows companies to recover fifty percent (50%) of their approved costs for occupational and skills upgrade training costs through an income tax credit limited to \$500 per employee trained not to exceed \$100,000 per company per biennium.

Enterprise Zones

Kentucky's Enterprise Zone Program was created in 1982 by the General Assembly. The program was initiated as an innovative effort to bring new or renewed development to targeted, economically depressed areas. State and local tax incentives are offered to businesses locating in zones and some regulations are eased to make development in the area more attractive. A zone remains in effect for 20 years after the date of designation.

Beyond the financial or administrative benefits, many enterprise zones have intrinsic advantages. Their location is often strategic in regard to transportation, suppliers and the rest of the city. Older buildings adaptable to modern needs are often available. Underdeveloped land suitable for industry is likewise available. Approved Kentucky enterprise zones are:

Louisville	1983	Lexington	1985
Hickman	1983	Knox County	1986
Ashland	1984	Campbell County	1986
Covington	1984	Paducah	1986
Owensboro	1985	Hopkinsville	1987



Enterprise Zone Incentives

The state incentives provided to businesses located within the enterprise zones for up to 20 years are as follows:

- Building materials used in remodeling, rehabilitation or new construction within the enterprise zone is exempt from sales and use taxes.
- New and used equipment and machinery purchased and used by a qualified business within the zone are exempt from sales and use taxes.
- Commercial vehicles purchased and used for a qualified business solely for business purposes shall be exempt from motor vehicle usage taxes.
- Other vehicles which are not defined as commercial vehicles purchased and used by a qualified business solely for business purposes are exempt from motor vehicle usage taxes, limited to the first \$20,000 of the retail price of the vehicle.
- A qualified business is allowed a credit against the tax levied, pursuant to KRS 141.040, equal to 10% of wages paid to each employee who has been unemployed for at least 90 days or who has received public assistance benefits, based on need and intended to alleviate poverty, for at least 90 days prior to being employed with the qualified business, up to \$1,500 per employee. Any unused credit may be carried forward for up to five (5) years.
- A local government has the option to levy an ad valorem tax rate on qualified property within a zone of one-tenth of one cent (\$.001) upon each \$100 of value.
- Other local incentives.

The Process

- The company makes application to the Kentucky Enterprise Zone Authority
- Authority approves applicant as an Enterprise Zone Qualified Business.
- Company is issued an Enterprise Zone Qualified Business Number.
- Company stays in compliance with requirements of the Program.

For further information, contact:

Cabinet for Economic Development
Department of Financial Incentives
2400 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7670
www.state.ky.us/agencies/edc/incen.htm

THE EMPOWERMENT ZONE

The Empowerment Zone initiative is a federal government –wide effort to enable the self-revitalization and growth of distressed urban and rural areas. In December, 1994, the counties of Clinton, Jackson and part of Wayne County, Kentucky, received a rural Empowerment Zone designation. Business that qualify and operate in the Empowerment Zone will be eligible for federal incentives including:

- Employer wage credit
- Increased section 179 deduction
- New tax-exempt bond financing.

For additional information contact:

Kentucky Highlands
Empowerment Zone
P.O. Box 1738
London, KY 40743-1738
Phone: 606-864-5175
Fax: 606-864-5194
www.ezec.gov

WHERE TO FIND FINANCING FOR YOUR BUSINESS

Adequate financing is critical for the success of a small business. In addition to the money invested by the owner, funds usually must be borrowed from one or more sources.

Lenders expect the owner to assume some of the risk involved in the operation of the business and they normally do not lend 100 percent of the capital needed. Because of restrictions placed on the amounts and the uses of loan funds by lenders, the small business owner often borrows money from two or more sources to complete the financing package.

Some things that a potential lender will consider are the long range potential for the type of business seeking financing, the financial plan for the business and the ability of the owner to make the business succeed. The personal reputation, work habits and dedication of the owner are important considerations. The owner may be required to make personal guarantees or to pledge personal assets to secure the loan made to the business.

The small business owner's local bank, commercial bank, credit union, savings and loan or financial institution, plays an important role in all of the financial activities of the business. In addition to providing daily financial activities and loans for various purposes, the small business owner's bank usually is involved in transactions when the business borrows money from other lenders. (see pages).

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
Statewide	Land, buildings, machinery, equipment	Equipment to have 10-year life or more	\$750,000; (up to \$1,000,000 under certain circumstances) 40% of project	20 years – real estate 10 years – equipment	State: CSBDC (SBA 504)	Commonwealth Small Business Development Corporation 67Wilkinson Boulevard Frankfort, KY 40601 Phone: 502-564-4320 www.state.ky.us/agencies/edc/smbd.htm
Statewide	Land, buildings, equipment	At least 51% of workers from low to moderate income (Accessed through local community)	\$1,000,000	Set for each project	State (HUD Grants); US Dept. for HUD (larger cities) CDBG	Kentucky Dept. of Local Government Division of Community Programs 1024 Capital Center Drive Frankfort, KY 40601 502-573-2382
Statewide	Land, buildings, machinery, equipment, inventory, supplies, working capital	Not speculation, broadcast or print media, academic schools or real property for resale	\$750,000 guarantee (up to 90% of loan)	Land and buildings - 25 years; Equipment - 10 years; Working Capital - 7 years	Private lenders (SBA guarantees)	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
Statewide	Design and installation of required pollution control measures	Financial needs must exceed \$750,000 SBA guarantee	\$1,000,000 loan guarantee, less other SBA funding	25 years	Private lenders (SBA guarantees)	Rural Development Agency 771 Corporate Drive, Suite 200 Lexington, KY 40503-4577 Phone: 606-224-7300
Statewide	Land, buildings, machinery, equipment, inventory, supplies, working capital (for employee trusts)	Employees must control 51% of voting stock	\$750,000 guarantee	Real Estate - 25 years, Equipment - 10 years, Working Capital - 7 years	Private lenders (SBA guarantees)	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov
Rural areas and cities of less than 50,000 population	Land, buildings, machinery, equipment, inventory, supplies, working capital	Not for relocation, foreign ownership or to produce goods with low demand	Guarantee for up to 90% of loan	Economic life of fixed assets	Private lenders (US Department of Agriculture Rural Development Agency guarantees)	Rural Development Agency 771 Corporate Drive, Suite 200 Lexington, KY 40503-4577 Phone: 606-224-7300 www.rurdev.usda.gov
All Area Development Districts (ADD), except Bluegrass and KIPDA	Start-ups, expansions	Usually a specified limit per job created or saved	Available funds	Set for each project	ADD Revolving Fund	Local ADD offices, except for Bluegrass and KIPDA
Lexington-Fayette Urban County	Start-ups, expansions	Limit per job	\$20,000	Set for each project	Urban County Government	Urban County Office of Economic Development 200 East Main Street Lexington, KY 40507 Phone: 606-258-3131
Louisville and Jefferson County	Start-ups, expansions	51% of the workers from low to moderate income individuals	\$100,000; 25% of project costs	10 years	METCO (Louisville and Jefferson County Government)	Louisville and Jefferson County Office of Economic Development 600 West Main Street, Suite 400 Louisville, KY 40202 Phone: 502-574-3051 www.louisville.ky.us

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
TVA service areas (21 counties in Southwest Kentucky)	Land, buildings, equipment	Limited to counties with high unemployment and low personal income levels, not for upgrading or expansions	\$300,000; 30% of project costs; \$5,000 per job created	Real estate - 15 years; Equipment - 7 years	Tennessee Valley Authority	Tennessee Valley Authority 700 Hammond Place Hopkinsville, KY 42240 Phone: 502-887-8455 www.tva.gov
Federally declared disaster areas	Restoration of real estate and personal property; operating capital for economic losses	Not for upgrading or expansions	85% of verified property damage; amount of obligations unmet because of economic losses	30 years	SBA Loans	Small Business Administration Disaster Area Office One Baltimore Place, Suite 300 Atlanta, GA 30308 Phone: 770-347-3771 www.sba.gov
Statewide Export Working Capital Program	Support single transactions or multiple export sales	Pre-shipment working capital, Post-shipment exposure coverage, Combination of pre- and post financing	Guarantee up to 85% (up to \$750,000 of a private sector loan)	Loan maturities generally 12 months: 2 options to renew - 36 months	SBA Loans	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov
Statewide	All	Land, buildings, equipment for new jobs	\$250,000 and 25% of fixed asset costs; Small businesses - \$100,000 and 45% of fixed asset costs	Most for 10 years or less	State (KEDFA)	Kentucky Economic Development Finance Authority 2400 Capital Plaza Tower Frankfort, KY Phone: 502-564-4554 www.state.ky.us/agencies/edc/incen.htm
Statewide	Disadvantaged owners servicing non-competitive federal contracts	Buildings, machinery, equipment, supplies	\$150,000	Land and buildings - 25 years; Equipment - 10 years; Working Capital - 7 years	SBA	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
Statewide	Developing or expanding export markets; recovering from export competition	Land, buildings, equipment, working capital	Fixed Assets - \$1,000,000 loan guarantee; working capital - \$250,000 guarantee	25 years	Private lenders (SBA guarantee)	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov
Statewide	Businesses with line of credit needs; small general contractors	Revolving line of credit for seasonal needs, contracts, exports, accounts receivable	\$750,000 guarantee (up to 90% of line of credit)	5 years	Private lenders (SBA guarantee)	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov
Statewide	Owned by economically disadvantaged, those with physical disabilities; and Vietnam Veterans	Buyouts and expansions; not for real estate speculation or agriculture	\$50,000 - \$250,000	20 years	Private lenders (Equal Opportunity Finance, Inc.)	Equal Opportunity Finance, Inc. 420 South Hurstbourne Parkway Louisville, KY 40202-8002 Phone: 502-423-1943
Statewide	Owners with low income or with mental or physical disabilities	Buyouts, start-ups, operations	\$750,000 guarantee (up to 90% of loan)	25 years	Private lenders (SBA guarantee)	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov
Statewide	Producers of craft items	Purchase, repair or renovation of fixed assets, inventories, working capital	\$20,000 loan guarantee	Fixed assets - 3 years; Inventories and Working Capital - 1 year	Banks (State guarantee by KEDFA)	Kentucky Economic Development Finance Authority 2400 Capital Plaza Tower Frankfort, KY Phone: 502-564-4554 www.state.ky.us/agencies/edc/incen.htm

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
Appalachian Counties	New and expanding manufacturing and service businesses	Fixed assets, working capital	\$150,000	10 years	Private (MACED)	Mountain Association for Community Economic Development (MACED) 433 Chestnut Street Berea, KY 40403 Phone: 606-986-3074 www.maced.org
Louisville	Controlled by minority individuals or women	Land, buildings, equipment, working capital	\$100,000	Real Estate and Equipment - 10 years; Working Capital - 5 years	City of Louisville (METCO)	Louisville and Jefferson County Office of Business Services 401 South Main Street, Suite 200 Louisville, KY 40202-3470 Phone: 502-574-3051 www.louisville.ky.us
Southeastern Kentucky	Manufacturing, distribution, services	Start-ups, expansions, relocations	\$500,000	Negotiated	Private (KHIC)	Kentucky Highlands Investment Corporation 362 Whitley Road PO Box 1738 London, KY 40743 Phone: 606-864-5175 www.ezec.gov
Statewide	Businesses with fewer than 50 full-time employees and less than \$1 million gross earnings per year	Working capital, interest costs, production costs, capital expense, debt refinancing	\$50,000	5 years	Kentucky Banks (state invests the funds) LINK Deposit	Small and Minority Business Division Kentucky Cabinet for Economic Development 67 Wilkinson Boulevard Frankfort, KY 40601 Phone: 502-564-2064 www.state.ky.us/agencies/edc/smbd.htm
49 Counties of Eastern Kentucky	Small- and Medium-sized companies. AIC concentrates on companies unable to obtain commercial credit or other funds with reasonable terms and rates.	Finance purchase and/or construction of fixed assets and fixed term working capital.	75% of project or \$150,000	10 years	Private and Public	Appalachian Investment Corporation 431 Chestnut Street, Suite 7 Berea, KY 40403 Phone: 606-986-2375 Fax: 606-986-1299

AVAILABILITY	BUSINESS ELIGIBILITY	USES	MAXIMUM LOAN	MAXIMUM TERM	SOURCE OF LOAN	CONTACT
Central Kentucky	Minority, women or low-income businesses	Working capital, inventory or fixed assets	Bluegrass Microenterprise Fund - \$500-\$2,500; SBA Intermediary Program - \$20,000	Bluegrass Microenterprise Fund – 18 months SBA Intermediary Program – 6 years	Banks; Small Business Administration	Community Ventures Corporation 1450 N. Broadway Lexington, KY 40505 Phone: 606-231-0261 Fax: 606-231-0261 1-800-299-0267
Statewide	For profit business. Qualified as small according to SBA's size standards.	Finance the planning, design or installation of a "pollution control facility"	\$1,000,000	25 years	Small Business Administration	Small Business Administration Federal Building, Room 188 600 Martin Luther King, Jr. Place Louisville, KY 40202 Phone: 502-582-5973 www.sba.gov

PROCUREMENT

Selling a product or service to the government, whether it be federal, state or local, requires time and proper paperwork. The agencies listed can assist businesses in identifying which governmental departments may be able to utilize a specific product or service and the correct procedure for contacting and making the sale.

The Kentucky Procurement Assistance Program (KPAP)

The Kentucky Procurement Assistance Program is a business assistance program of the Kentucky Cabinet for Economic Development. KPAP would like to help Kentucky firms market their goods and services to federal, state and local government agencies. For *free* consultation and assistance, contact one of the service centers listed below. Our Internet website is: <http://www.state.ky.us/edc/kpap.htm>

KPAP Central Kentucky Service Center

Cabinet for Economic Development
Business and Entrepreneurship
Development Division
2200 Capital Plaza Tower
500 Mero Street
Frankfort, Kentucky 40601
Phone: (502) 564-4252
or: (800) 838-3266
Fax: (502) 564-5932

Counties Served:

<i>Anderson</i>	<i>Franklin</i>	<i>Jessamine</i>	<i>Nicholas</i>
<i>Ballard</i>	<i>Gallatin</i>	<i>Kenton</i>	<i>Owen</i>
<i>Boone</i>	<i>Grant</i>	<i>Larue</i>	<i>Pendleton</i>
<i>Bourbon</i>	<i>Hancock</i>	<i>Livingston</i>	<i>Robertson</i>
<i>Boyle</i>	<i>Hardin</i>	<i>Marion</i>	<i>Scott</i>
<i>Bracken</i>	<i>Harrison</i>	<i>Mason</i>	<i>Taylor</i>
<i>Breckinridge</i>	<i>Hart</i>	<i>McLean</i>	<i>Union</i>
<i>Campbell</i>	<i>Henderson</i>	<i>Meade</i>	<i>Washington</i>
<i>Carroll</i>	<i>Henry</i>	<i>Mercer</i>	<i>Webster</i>
<i>Crittenden</i>	<i>Hopkins</i>	<i>Nelson</i>	<i>Woodford</i>
<i>Fayette</i>			

Greater Louisville Service Center
Kentucky Procurement Assistance Program
Louisville/Jefferson County Office
for Economic Development
600 West Main Street, Suite 400
Louisville, Kentucky 40202-4266
Phone: (502) 574-3051
Fax: (502) 574-3026

Counties Served:

<i>Bullitt</i>	<i>Oldham</i>	<i>Spencer</i>
<i>Jefferson</i>	<i>Shelby</i>	<i>Trimble</i>

East Kentucky Service Center
Kentucky Procurement Assistance Program
The Center for Rural Development
2292 South US Highway 27
Somerset, Kentucky 42501
Phone: (606) 677-6140
Fax: (606) 677-6141

Counties Served:

<i>Adair</i>	<i>Fleming</i>	<i>Lee</i>	<i>Owsley</i>
<i>Bath</i>	<i>Floyd</i>	<i>Leslie</i>	<i>Perry</i>
<i>Bell</i>	<i>Garrard</i>	<i>Letcher</i>	<i>Pike</i>
<i>Boyd</i>	<i>Green</i>	<i>Lewis</i>	<i>Powell</i>
<i>Breathitt</i>	<i>Greenup</i>	<i>Lincoln</i>	<i>Pulaski</i>
<i>Carter</i>	<i>Harlan</i>	<i>Madison</i>	<i>Rockcastle</i>
<i>Casey</i>	<i>Jackson</i>	<i>Magoffin</i>	<i>Rowan</i>
<i>Clark</i>	<i>Johnson</i>	<i>Martin</i>	<i>Russell</i>
<i>Clay</i>	<i>Knott</i>	<i>McCreary</i>	<i>Whitley</i>
<i>Clinton</i>	<i>Knox</i>	<i>Menifee</i>	<i>Wolfe</i>
<i>Elliott</i>	<i>Laurel</i>	<i>Montgomery</i>	<i>Wayne</i>
<i>Estill</i>	<i>Lawrence</i>	<i>Morgan</i>	

West Kentucky Service Center
SKPAC
1821 Peartree Lane
Post Office Box 726
Hopkinsville, Kentucky 42241-0726
Phone: (502) 885-5392
Fax: (502) 885-9451

Counties Served:

<i>Allen</i>	<i>Daviess</i>	<i>Logan</i>	<i>Ohio</i>
<i>Barren</i>	<i>Christian</i>	<i>Lyon</i>	<i>Simpson</i>
<i>Butler</i>	<i>Edmonson</i>	<i>Marshall</i>	<i>Todd</i>
<i>Caldwell</i>	<i>Fulton</i>	<i>McCracken</i>	<i>Trigg</i>
<i>Calloway</i>	<i>Graves</i>	<i>Metcalfe</i>	<i>Warren</i>
<i>Carlisle</i>	<i>Grayson</i>	<i>Muhlenberg</i>	
<i>Cumberland</i>	<i>Hickman</i>	<i>Monroe</i>	

State Procurement

Kentucky state government is one of the Commonwealth's largest consumers. State purchases vary and represent a broad range of goods and services. The vast majority of state government's purchases are processed through the following agencies.

State Finance Cabinet

The majority of the State's procurement, non-construction, for commodities and services are bid and contracted by the State Division of Purchases.

A vendor may request a source list application by contacting:

Division of Purchases
Department for Administration
Finance and Administration Cabinet
Capitol Annex Building, Room 354
Frankfort, Kentucky 40601
Phone: 502-564-4510
800-367-8365
www.state.ky.us/agencies/purch/vipweb2.htm

Construction related projects are bid and contracted by:

Contracting and Administration Division
Department for Facilities Management
Finance and Administration Cabinet
Capitol Annex Building, Room 158

Frankfort, Kentucky 40601
Phone: 502-564-3050
www.state.ky.us/agencies/finance/facmgt.htm

State Transportation Cabinet

Certain commodities relating to highway maintenance and traffic requirements are bid and contracted by:

Division of Purchases
Department of Administrative Services
Transportation Cabinet
State Office Building, Room 905
Frankfort, Kentucky 40601
Phone: 502-564-4630
www.kytc.state.ky.us

Purchasing Councils

Kentuckiana Minority Supplier Development Council (KMSDC)
Greater Louisville, Inc.
600 West Main Street
Louisville, Kentucky 40202
Phone: 502-625-0135

Purchasing Councils are a recognized way to bring suppliers and purchasers on together. One such council, KMSDC, exists in Kentucky for the purpose of bringing minority businesses (suppliers) together with the purchasers who can use their products.

PATENTS, COPYRIGHTS and TRADEMARKS

Businesses are started for a variety of reasons. One reason could be to market a machine you developed in your spare time. Or, perhaps you have decided to try and sell the novel you wrote that most of your friends think is the best book they have ever read. Whatever the product, you owe it to yourself to examine the possibility of protecting your idea against copying or theft. You also need to know that you are not encroaching on someone else's idea.

Depending on the form an idea takes, there are three (3) basic forms of legal protection available to you: patents, trademarks and copyrights. Occasionally, there is confusion about the difference between the three. Even though there may be some resemblance in the rights of these three kinds of intangible property, they are different and serve different purposes.

Although your idea may not meet the requirements to be protected legally, it is well worth the effort to try.

What is a Patent?

A patent for an invention is a grant of a property right by the government to the inventor (or his heirs or assigns), acting through the Patent and Trademark Office. The duration of the grant is 17 years, subject to the payment of maintenance fees.

The right conferred by the patent grant extends throughout the United States and its territories and possessions.

The right conferred by the patent grant is, in the language of the statute and of the grant itself, **the right to exclude others from making, using or selling** the invention. What is granted is not the right to make, use or sell but the right to exclude others from making, using or selling the invention.

To call for general information, contact:

Commissioner of Patents and Trademarks
Box 9
Washington, DC 20231
Phone: 703-308-4357
www.uspto.gov

To purchase printed information on the patent and trademark process, contact:

Government Printing Office Bookstore
401 South State Street, Suite 124
Chicago, Illinois 60605
Phone: 312-353-5133

What is a Copyright?

Copyright protects the writings of an author against copying. Literary, dramatic, musical and artistic works are included within the protection of the copyright law, which in some instances also confers performing and recording rights. The copyright goes to the form of expression rather than to the subject matter of the writing. A description of a machine could be copyrighted as a writing, but this would only prevent others from copying the description; it would not prevent others from

writing a description of their own or from making and using the machine. Copyrights are registered in the Copyright Office in the Library of Congress.

For further information, contact:

Register of Copyrights
Library of Congress
Washington, DC 20540
Phone: 202-707-3000
<http://lcweb.loc.gov/copyright>

What is a Trademark?

A trademark relates to any word, name, symbol or device which is used in trade with goods to indicate the source or origin of the goods and to distinguish them from the goods of others. Trademark rights may be used to prevent others from using a confusing similar mark but not to prevent others from making the same goods or from selling them under a non-confusing mark. Similar rights may be acquired in marks used in the sale or advertising of services (service marks). Trademarks and service marks which are used in interstate or foreign commerce may be registered in the Patent and Trademark Office.

For more information, contact:

U.S. Department of Commerce
Patent and Trademark Office
Washington, DC 20231
Phone: 703-305-8341
www.uspto.gov

For information on obtaining a state trademark, contact:

Secretary of State
Capitol Building
Frankfort, Kentucky 40601
Phone: 502-564-2848
www.sos.state.ky.us

The Center for Entrepreneurship and Technology, located at the University of Louisville, will direct and assist you in the development of a patent, copyright or trademark idea, contact:

Center for Entrepreneurship and Technology
School of Business
University of Louisville
Louisville, Kentucky 40292
Phone: 502-852-7854

PRODUCT DEVELOPMENT AND TECHNOLOGY

The presence of technology in the workplace, both office and factory, has created a need for a technical level of assistance that goes beyond routine office needs. The agencies listed provide direct assistance and referral services for identifying additional technical assistance.

Business and Technology Branch

Business and Entrepreneurship Development Division

500 Mero St., 2200 Capital Plaza Tower Frankfort, Kentucky 40601 Phone: 502-564-4252

(ext. 4213)

www.state.ky.us/agencies/edc/btb.htm

Fosters the development and use of technology within Kentucky companies by linking them with services and programs designed to enhance their competitiveness. Provides businesses with information on technology resources and research capabilities available through public and private sector entities.

Kentucky Technology Service, Inc.

Kentucky Technology Service is a non-profit organization with the mission to assist small and medium-sized manufacturing firms in Kentucky find innovation for improvement. Launched in 1994, the corporation makes engineering and business expertise available to firms that want to become more competitive.

KTS has a staff of experienced and talented professionals with varied manufacturing backgrounds, that can effectively assist firms in gaining competitive advantages in the ever growing global economy.

The First Step Toward Building Competitive Advantages

In the early stages of working with a company, a **KTS** engineer is able to provide up to eight hours of assessment to identify opportunities for improvement at no cost to the company. Once an opportunity is identified, the engineer will work with the client to establish and achieve project goals. When a need for a specialized service is recognized, **KTS** can contract with appropriate pre-qualified consultants to assist in the project. This saves the manufacturer from a time consuming search for outside professionals and serves as a single point of contact coordinating the efforts of multiple consultants. There is a dual advantage in that consultants (service providers) gain statewide exposure for the benefits they can bring to manufacturers.

Manufacturers are assured of numerous benefits through high quality services, with minimal project cost. Headquartered in Lexington, **KTS** has satellite offices in Louisville, Owensboro, Bowling Green, Florence, Morehead, and Somerset to effectively serve Kentucky. Kentucky Technology Service is devoted to assisting Kentucky manufacturers become more nationally and globally competitive.

KTS Can Help You Increase Your Productivity and Profitability

In addition to direct services supported by its Field Engineers, **KTS** can help you increase productivity and profitability with a broad range of seminars and training courses specifically designed to benefit Kentucky's small and medium-sized manufacturing firms.

(PLEASE PHOTOCOPY AND MAIL)

☐ I would like to know more about KTS. Send more information.

☐ Please have a KTS Engineer call me.

In what areas could KTS help my company?

Please check all boxes that apply:

☐ Assessment

☐ Accounting

☐ Seminars and Training

☐ Exporting

☐ Manufacturing Process Improvement

☐ Product Development

☐ Quality

☐ Expansion

☐ Marketing

☐ Other

☐ Business Planning

Name _____

Title _____

Company _____

Street _____

City _____ State _____ Zip _____

Type of Business _____

Phone _____ Fax _____

Comments _____

Kentucky Technology Service, Inc.

167 West Main Street

Lexington, KY 40507

Phone: 800-704-5282

606-252-7801

Fax: 606-252-7900

Kentucky Science and Technology Council

The Kentucky Science and Technology Council is a private, non-profit corporation comprised of leaders from education, government and the private sector concerned with the advancement of science and technology in Kentucky. The Council is involved in a variety of innovation initiatives in the areas of science education, economic development and scientific research. The specific mission of the corporation is to propose policies and develop programs for the enhancement of science and technology in Kentucky; to serve as an advocacy group on science and technology issues; to advocate the fundamental importance of science and technology to Kentucky's future; and to stimulate technology-based development.

Kentucky Science and Technology Council, Inc.
PO Box 1049
Lexington, KY 40588-1049
Phone: 606-233-3502
Fax: 606-259-0986

Kentucky State Data Center

The Kentucky State Data Center and Kentucky Population Research provide a variety of computer-based data services to accommodate the informational needs of state, local governments and businesses, including:

- Census Data
- Vital Statistics
- Microdata analysis
- County Forecasts
- Geographic Information Services (GIS)
- Bureau of Economic Analysis (BEA)
- Custom data extraction

Kentucky State Data Center
Urban Studies Institute
University of Louisville
426 W. Bloom Street
Louisville, KY 40208-5457
Phone: 502-852-7990
Fax: 502-852-7386
www.louisville.edu/cbpa/sdc/

Kentucky Population Research
Urban Studies Institute
University of Louisville
426 W. Bloom Street
Louisville, KY 40208-5457
Phone: 502-852-7990
Fax: 502-852-7386
www.louisville.edu/cbpa/kpr/

Center for Rural Development

The Center for Rural Development, located in Somerset, Kentucky, is challenged with the mission to provide, promote and support innovative and sustainable community development solutions. An

important guiding principle of that mission is that *no young person* in Southern or Eastern Kentucky *should have to leave home to find their future*.

The Center has as its purpose the development and operation of a facility dedicated to the development of one of the poorest regions in the county, a forty-county area in Southern and Eastern Kentucky. The Center serves as a developmental model through its “one stop” services and its integration and coordination of rural development programming entities. Programmatic emphasis is on regional development in several areas: planning, training, telecommunications, the arts and all other aspects of development.

For a complete directory of available services and the partners and affiliated groups housed in the Center please contact us.

The Center for Rural Development
2292 South Highway 27, Suite 300
Somerset, Kentucky 42501
Phone: 606-677-6000
Fax: 606-677-6010
www.centertech.com

Inventors Council

The Inventors Council founding mission is to foster, promote and encourage inventors. The mission is executed by providing education and camaraderie to a diverse group of individuals who have shared interests and many common needs. The Inventors Council is a non-profit, Ohio corporation.

Membership is open to anyone. You do not have to be a patent holder to join.

Inventors Council
140 E. Monument Avenue
Dayton, OH 45402-1267

Kentucky Contact: **Don West – 606-842-4110**

Bar Coding (Uniform Product Code)

The Bar Coding (Uniform Product Code) gives manufacturer identification numbers for the Uniform Product Code.

The UPC is a bar code that allows products to be scanned in retail and inventory. There is a fee applied. (7-10 day turnaround).

For more information, please contact:

Uniform Code Council, Inc.

8163 Yankee Road, Suite 3
Dayton, OH 45458
937-435-3870

College and University Technical Assistance

University of Kentucky

The University of Kentucky offers the following services:

Center for Robotics and Manufacturing Systems

Provides one-on-one consulting services to manufacturers for plant design/layout, production processes, etc.

Center for Robotics and Manufacturing Systems
University of Kentucky
210-D CRMS
Lexington, KY 40506-1081
Phone: 606-257-6262, ext. 401
Fax: 606-323-1023

Center for Manufacturing Systems

The goal of the CMS focuses on developing new technology for the manufacturing industry, including metal cutting, chip control, finite elements modeling, welding and emphasis on monitoring and control of machine systems. Modernization assistance is provided to manufacturers throughout the Commonwealth in manufacturing processes, product development, lean manufacturing and ergonomics. In addition, the Manufacturing Information Network, a fee-based service, provides document delivery of materials held in the University of Kentucky library system to clients within a 48 hour period.

Center for Manufacturing Systems
College of Engineering
University of Kentucky
Lexington, KY 40506-0108
Phone: 606-257-6262
Fax: 606-258-1035

Office of Sponsored Program Development

Maintains a database of research expertise at the University of Kentucky. Businesses seeking specific capabilities to solve problems can contact the Office of Sponsored Programs Development and ask assistance in identifying faculty with appropriate experience and expertise.

Research and Graduate Studies
University of Kentucky
207 Administration Building
Lexington, KY 40506-0032
Phone: 606-257-1663

Office of Sponsored Program Development
University of Kentucky
302 Kinkead Hall
Lexington, KY 40506-0057
Phone: 606-257-2861
Fax: 606-257-8995

A multi-disciplinary laboratory dedicated to obtaining an understanding of the nature of plant resistance/susceptibility to infectious disease on the molecular level. Technology has been developed to immunize plants against disease and this technology is being tested worldwide. Immunization agents include microorganisms and nontoxic chemicals which causes the release of immunity signals and mobilize a plant's defense mechanisms against many fungi-bacteria and viruses. A major emphasis of the research program is to reduce dependence on chemical pesticides by providing an effective, environmentally safe integrated technology for disease control.

Department of Plant Pathology
University of Kentucky
S-305 Agricultural Science Building – North
Lexington, KY 40546-0091
Phone: 606-257-4978

University of Louisville

The University of Louisville offers the following services:

Henry Vogt Center

A state of the art center for research, teaching and industry-related design and analysis for computer-aided design, robotics, materials handling, computer vision, injection molding and rapid prototyping projects.

Henry Vogt Center
University of Louisville

Louisville, KY 40292
Phone: 502-852-7599
Fax: 502-852-8890

Materials Research Laboratory

A program devoted to the study of high-technology solutions to material problems including: materials analysis, materials evaluation, short- and long-term testing and product and process research and development. Materials of interest and expertise include: catalysts, ceramics, polymers, composites, rubbers and impurity metals at the ppm level.

Materials Research Laboratory
Chemical Engineering Department
University of Louisville
Louisville, KY 40292
Phone: 502-852-0191
Fax: 502-852-6355

Very Large-Scale Integrated Circuit Design Laboratory

A laboratory focusing on research and development of integrated circuits (chips) for computers, neural networks, programmable controllers and related instrumentation.

Very Large-Scale Integrated Circuit Design Laboratory
University of Louisville
Department of Electrical Engineering
Louisville, KY 40292
Phone: 502-852-6314

Center for Coal Sciences

The Center provides analytical services, including complete elemental analysis using state-of-the-art instrumentation, for education, research and public service projects throughout the state.

Center for Coal Sciences
Department of Chemistry
Western Kentucky University
Bowling Green KY 42101
502-745-6020
Fax: 502-745-6293

COMPETING GLOBALLY

Success in today's economy requires a world view. Exports keep over 3,850,000 Americans working. That's 20,000 workers for every \$1 billion of exports. Kentucky's companies are quickly becoming competitive players in the global marketplace. Kentucky is ranked first for the exporting of livestock and livestock products. Exports to foreign countries contribute about \$8 billion annually to Kentucky's economy. This accounts for about ten percent of the state gross product and provides manufacturing jobs for over 30,000 workers. Approximately 35,000 additional jobs in non-manufacturing industries are indirectly sustained by manufacturer's exports.

The largest dollar volume of international trade is done by larger companies, however, size does not prohibit a firm from being successful. Small businesses are big in exports! The answer to success depends largely on product price, quality and service.

The International Trade Division Kentucky Cabinet for Economic Development

The International Trade Division within the Kentucky Cabinet for Economic Development recognizes the need to assist businesses with their international endeavors.

There are 12 Economic Development Specialists across the state who are prepared to assist and provide information. The Trade Division in Frankfort provides export counseling, trade show, trade mission and catalogue show assistance, trade leads and information concerning licensing and customs. The Cabinet's foreign offices (Brussels, Guadalajara and Tokyo) offer several services to Kentucky exporters. For additional information or assistance, please contact:

International Trade Office
Department of Community Development
Cabinet for Economic Development
2300 Capital Plaza Tower
500 Mero Street
Frankfort, Kentucky 40601
502-564-7140
www.state.ky.us/agencies/edc/ito.htm

Central Kentucky Economic Development Division
Department of Community Development
Cabinet for Economic Development
Hoge House, 302 Wilkinson Street
Frankfort, Kentucky 40601
502-564-5891
800-847-4251

East Kentucky Economic Development Division
Department of Community Development
Cabinet for Economic Development
P. O. Box 389, 123 South Lake Drive

Prestonsburg, Kentucky 41653
606-886-0169
800-928-0169

West Kentucky Economic Development Division
Department of Community Development
Cabinet for Economic Development
145 East Center Street, Suite 2B
Madisonville, Kentucky 42431
502-824-7053
800-928-9200

Excellent trade assistance can also be obtained from these sources.

U.S. Department of Commerce

The Louisville office of the U.S. Department of Commerce provides counseling and direct marketing assistance to Kentucky firms interested in exporting their goods or services. Assistance includes evaluating a firm's export potential, identifying best overseas markets, locating customers or distributors, market research, worldwide publicity for new foreign firms, business travel assistance, overseas trade shows, "matchmaker" missions, etc. For additional information, please contact:

U.S. Department of Commerce
International Trade Office
601 West Broadway, Room 634B
Louisville, Kentucky 40202
Phone: 502-582-5066
FAX 502-582-6573
www.doc.gov

Kentucky World Trade Center

The Kentucky World Trade Center (KWTC) is a non-profit membership organization affiliated with the World Trade Centers Association, a group of over 200 World Trade Centers in 59 countries. The KWTC provides trade and marketing assistance to both importers and exporters. Programs and services cover the international trading process. A key feature is access to the World Trade Center NETWORK system, an electronic trade lead and communication system with world-wide scope. For information, contact:

Trade Director
1600 World Trade Center
333 West Vine Street Lexington, Kentucky 40507
Phone: 606-258-3139
Fax: 606-233-0658
www.tradewtc.gov

World Trade Center
600 West Main, Suite 24
Louisville, KY 40202
Phone: 502-574-2400

JOB TRAINING

HIRING AND TRAINING YOUR EMPLOYEES

Looking to hire, train or re-train employees? The Technical Colleges of the newly formed Kentucky Community and Technical System provides services to help you meet your objectives. The various Technical Colleges have a site near you. The Technical Colleges include:

1. Fifteen (15) main campuses that provide an array of post-secondary and adult training programs in business and technological areas. Also, each will work with you to design and deliver short-term customized programs to meet your needs.
2. Health Technology Campuses provide training in the health related occupations from nursing assistant to surgical technician.
3. Area Technology Centers under the Workforce Development Cabinet provide primarily exploration and training for secondary students; some, however, provide post-secondary and adult training and short-term training.

Services to meet your needs:

Training / Retraining

The Technical Colleges Training and Development Coordinator will assist prospective and established industries in identifying and developing programs and services needed by a business or industry. This **T & D** coordinator will coordinate all activities necessary to implement the specific training needs as requested by new or established industries including public announcements, parent plant visitation, curriculum development, supply and equipment requirements, recruitment of instructor, preparation of training site, recruitment of trainees, selection of trainees, program implementation and closing of programs.

The **T & D** will serve as a liaison among the various agencies at the local and state levels who have the purpose of enhancing industrial developments.

CAREER CONNECTIONS ASSESSMENT CENTER

The Technical Colleges Career Connections Assessment Center Director provides services to the business and industry community through a valid, reliable and defensible assessment program. The hiring and productivity process is enhanced through the use of assessment data. The assessment center director will meet with you to determine your needs and then design an assessment package to fit your hiring, promotional and/or training needs. The assessment package may include academic achievement, occupational aptitudes, personality factors, attitude measurements, problem-solving

abilities and a variety of other factors. The assessment centers provide a quick turn-around time at an affordable cost.

The Training and Development and Assessment Centers are located in the following cities, please contact the one closest to you.

Ashland

Training and Development
Career Assessment

606-928-4256
606-928-6427

Bowling Green

Training and Development
Career Assessment

502-746-7461
502-746-7461 (ext. 2115)

Covington/Northern Kentucky

Training and Development
Career Assessment

606-292-3930
606-292-3936

Elizabethtown

Training and Development
Career Assessment

502-766-5133
502-766-5133 (ext. 290)

Hazard

Training and Development
Career Assessment

606-435-6101
606-435-6101

Lexington

Training and Development
Career Assessment

606-246-2400
606-246-2400

London

Training and Development
Career Assessment

606-864-7311
606-864-7311

Louisville

Training and Development
Career Assessment

502-595-4136
502-599-2336

Madisonville

Training and Development
Career Assessment

502-824-7544
502-824-7009 (ext. 203)

Middlesboro

Training and Development
Career Assessment

502-242-2145
502-242-2145 (ext. 2101)

Morehead

Training and Development
Career Assessment

606-783-1538
606-783-1538

Owensboro

Training and Development
Career Assessment

502-687-7255
502-687-7255

Paducah

Training and Development
Career Assessment

502-554-4991
502-554-4991 (ext. 440)

Paintsville

Training and Development
Career Assessment

606-789-5321
606-789-5321

Somerset

Training and Development
Career Assessment

606-677-4049
606-677-4049

WORKFORCE DEVELOPMENT CABINET'S COMMON ELECTRONIC EMPLOYMENT APPLICATION

NEW SERVICE OFFERED BY THE CABINET FOR WORKFORCE DEVELOPMENT

An updated service to the business and industry community is the Common Electronic Employment Application.” It contains basic demographic information, credentials and tested skill levels of potential employees, which will aid in employee recruitment.

This skills labor bank will insure easier access into the job market for potential employees, help develop a more attractive and competent workforce and provide an extra thrust to economic development efforts.

Employment Application

Provides:
skill standards
data

Electronic***Connectivity*****Business & Industry**

access current
and future employees

For more information concerning any Workforce Development program please contact:

Workforce Development Cabinet
502-564-6606

Bluegrass State Skills Corporation

An independent, quasi-public corporation for skills training for business and industry - from entry-level to advanced training and from upgrading present employees to retraining experienced workers. Awards grants to educational institutions which work with one or more private companies to train people for jobs. Awards tax incentives to existing companies which provide skills upgrade training for their employees. Works in partnership with other employment and job training resources and programs, as well as economic development activities, to package a program customized to meet the specific needs of a company.

Bluegrass State Skills Corporation
Kentucky Cabinet for Economic Development
Department of Financial Incentives
500 Mero St., 2100 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-2021
www.state.ky.us/agencies/edc/incen.htm

Private Industry Councils

The Job Training Partnership Act (JTPA) provides federal funds for job training programs. Programs are administered by eleven (11) Service Delivery Areas (SDA) in Kentucky. Each SDA has a Private Industry Council (PIC) which shares overall policy and oversight responsibility for local programs with local elected officials.

Area Development Districts (ADDs) administer the programs in several of the SDAs. For further information concerning your local JTPA program, contact:

JPTA
Field Services Division
Department for Employment Services
CHR Building, 2nd Floor West
275 East Main Street
Frankfort, Kentucky 40621
Phone: 502-564-7456
Fax: 502-564-7459
www.state.ky.us/wforce/des/des.htm

WKU Center for Training and Development

Western Kentucky University provides an analysis service for local industry, school systems, local cities and private citizens in the areas of water, wastewater, air, coal and asbestos sample analysis.

In addition, training courses are offered in the technical areas of AutoCAD, Programmable Logic Controllers, Statistical Process Control, Computer Integrated Manufacturing and Geometric Dimensioning and Tolerancing.

For additional information on the Western Kentucky University program, contact:

Center for Training and Development

Western Kentucky University Bowling Green, Kentucky 42101 Phone: 502-745-1906

www.wku.edu/dept/suppport/AcadAffairs/eco.htm

Technical assistance programs, such as the program at Western, may exist through your local community college or university. For further information on small business assistance programs in your area, contact the college or university nearest you.

WHERE TO GO FOR HELP IN STARTING YOUR BUSINESS

One of the first steps for starting a new business is adequate research and planning. In order to do this, it is necessary to have access to information.

This section will serve as a guide to Kentucky's business assistance programs. It is not intended to be a complete Kentucky resource directory on the matter, only a starting point for additional information. However, the omission of certain agencies, resources, etc. does not reflect any feelings of importance; rather, it reflects the nature of inquiries that are received most often from small business owners by the Business Information Clearinghouse and the Kentucky Chamber of Commerce.

Kentucky's Cabinet for Economic Development

The Kentucky Cabinet for Economic Development is the primary state agency in Kentucky responsible for creating new jobs and new investment in the state. The Cabinet consists of:

- Office of the Secretary
- Department of Community Development
- Department of Financial Incentives
- Department of Job Development
- Department of Administration and Support.

Programs administered by the Cabinet are designed to support and promote economic development within the state primarily through attracting new industries to the state, assisting in the development of existing industries and assisting communities in preparing for economic development opportunities. This includes:

OFFICE OF THE SECRETARY

Office of the Secretary
Cabinet for Economic Development
500 Mero St., 2400 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7670

Responsible for the development and administration of executive policies and for the overall management of the agency. Staff and administrative functions within the office include General Counsel, Communication Services, Advertising and Special Projects.

DEPARTMENT OF COMMUNITY DEVELOPMENT

Department of Community Development
Cabinet for Economic Development
500 Mero St., 2300 Capital Plaza Tower
Frankfort, Kentucky 40601

Phone: 502-564-4252
www.state.ky.us/agencies/edc/com.htm

The Department is responsible for assisting new and expanding businesses in preparing for growth, encouraging job retention and creation. The Department consists of six divisions: Three regional Economic Development Divisions - one each located in Western Kentucky, Central Kentucky and Eastern Kentucky; the International Trade Division; the Business and Entrepreneurship Development Division; and the Small and Minority Business Division.

West Kentucky Office, Madisonville:.....502-824-7053
.....800-928-9200

Central Kentucky Office, Frankfort:..... 502-564-5891
.....800-847-4251

East Kentucky Office, Prestonsburg:..... 606-886-0169
.....800-928-0169

International Trade Division

The International Trade Division within the Kentucky Cabinet for Economic Development recognizes the need to assist businesses with their international endeavors.

The Cabinet’s foreign offices (Brussels, Mexico and Tokyo) offers several services to Kentucky exporters. For additional information or assistance. Please contact:

International Trade Division
Department of Community Development
Cabinet for Economic Development
2300 Capital Plaza Tower
500 Mero Street
Frankfort, Kentucky 40601
502-564-7140
www.state.ky.us/agencies/edc/ito.htm

Business and Entrepreneurship Development Division

Assists new, small, minority and women's business development through the expansion of entrepreneurial assistance programs. Consists of three branches - the Business Information Clearinghouse Branch, the Kentucky Procurement Assistance Branch and the Business and Technology Branch.

Business Information Clearinghouse Branch

Business and Entrepreneurship Development Division
500 Mero St., 2200 Capital Plaza Tower

Frankfort, Kentucky 40601
Phone: 502-564-4252 (ext. 4317)
800-626-2250 (in Kentucky)
www.state.ky.us/agencies/edc/bic.htm

The Business Information Clearinghouse offers new and existing businesses a centralized source of information on state licenses, permits and business regulations. Following a telephone inquiry, appropriate applications for permits and licenses are assembled. This packet is mailed directly to the business person. The service is designed to save the business person time and reduce confusion about compliance with state laws and regulations.

Kentucky Procurement Assistance Program (KPAP) Branch

Business and Entrepreneurship Development Division
500 Mero St., 2200 Capital Plaza Tower Frankfort, Kentucky 40601 Phone: 502-564-4252
(ext. 4414)
800-838-3266
www.state.ky.us/agencies/edc/kpap.htm

The Kentucky Procurement Assistance Program is a business assistance program of the Kentucky Cabinet for Economic Development. KPAP would like to help Kentucky firms market their goods and services to federal, state and local government agencies. For free consultation and assistance, contact:

Louisville Service Center, Louisville.....502-574-3051
East Kentucky Service Center, Somerset.....606-611-6041
South/West Kentucky Service Center, Hopkinsville.....502-885-5392

Business and Technology Branch

Business and Entrepreneurship Development Division
500 Mero St., 2200 Capital Plaza Tower Frankfort, Kentucky 40601 Phone: 502-564-4252
(ext. 4213)
www.state.ky.us/agencies/edc/btb.htm

Fosters the development and use of technology within Kentucky companies by linking them with services and programs designed to enhance their competitiveness. Provides businesses with information on technology resources and research capabilities available through public and private sector entities. Provides and coordinates incentive grants to facilitate technology development and transfer.

Small and Minority Business Division

Department of Community Development
67 Wilkinson Boulevard
Frankfort, Kentucky 40601

Phone: 502-564-2064

www.state.ky.us/agencies/edc/smbd.htm

Serves as a resource center for small and minority business owners/managers. Encourages small and minority business development in the state by providing potential and existing small and minority businesses with information on start-ups, training, financing and business planning; directing individuals to resources that offer specialized assistance; and counseling and critiquing business plans and loan applications for small and minority business loans. Identifies construction contracts and procurement opportunities; assists in establishing relevant education and training programs that address the business needs of minority enterprises; and acts as an advocate for the expansion of small and minority businesses throughout the state. Operates an Investment Capital Network (ICN) program.

Investment Capital Network (ICN)

A computerized network and service for introducing Kentucky entrepreneurs to potential investors. A confidential computer matching procedure is used to compare entrepreneur and investor criteria.

Linked Deposit Investment Loan Program

Provides below prime interest rate loans to small businesses through Kentucky banks.

Commonwealth Small Business Development Center (CSBDC) (SBA 504)

Provides long-term, fixed asset financing for small businesses.

DEPARTMENT OF FINANCIAL INCENTIVES

Department of Financial Incentives
Cabinet for Economic Development
500 Mero St., 2400 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4554
www.state.ky.us/agencies/edc/incen.htm

The Department coordinates all financial assistance, tax credit and related programs available to business and industry. The Department consists of the Kentucky Economic Development Finance Authority, which includes the programs of the Tax Incentives Division, the Grants Division, the Monitoring Division and the Direct Loan Division; the Enterprise Zones Program, which is in the Tax Incentives Division; and the Bluegrass State Skills Corporation, which is attached to the Department for administrative purposes.

Kentucky Economic Development Finance Authority (KEDFA)

Encourages economic development, business expansion and job creation by providing financial support for business and industry through an array of financial assistance and tax credit programs administered by the Tax Incentives Division, the Grants Division and the Direct Loan Division.

Department of Financial Incentives

500 Mero St., 2400 Capital Plaza Tower

Frankfort, Kentucky 40601 Phone: 502-564-4554

www.state.ky.us/agencies/edc/incen.htm Administers the following programs:

Direct Loan Program to provide financing for manufacturing, warehousing, distribution, non-retail services, agribusiness and tourism projects at below market interest rates to private businesses in participation with other lenders.

Local Government Economic Development Program to provide grants to coal-producing counties for economic development projects from funds generated by the state's coal severance and processing taxes.

Industrial Revenue Bond Issue Program for eligible projects.

Kentucky Industrial Development Act (KIDA) which provides tax incentives to manufacturers that locate or expand operations in Kentucky.

Kentucky Industrial Revitalization Act (KIRA) which provides tax incentives to existing manufacturing companies faced with imminent closure due to lack of productivity or profitability caused by outdated equipment.

Kentucky Rural Economic Development Act (KREDA) which provides tax incentives to new or existing manufacturing companies that locate or expand operations in counties suffering from high rates of unemployment.

Kentucky Jobs Development Act (KJDA) which provides tax incentives to new or expanding service and technology oriented companies with services directed primarily outside of Kentucky.

Tourism Development Sales Tax Credit Act (KTDA), which provides sales tax incentives to tourism development attractions with substantial economic impact.

Kentucky Investment Fund Act (KIFA), which encourages venture capital investment by certifying a pool of venture capital funds which are required to make certain investments in the development of small businesses in Kentucky. The program certifies privately operated venture funds where investors would be entitled to tax credits equal to 40% of their capital contributions to the fund (but no more than 25% in any one year). The Kentucky Investment Fund replaces the Commonwealth Venture Fund established in 1988.

Skills Training Investment Credit Act (STICA), allows companies to recover fifty percent (50%) of their approved costs for occupational and skills upgrade training costs through an income tax credit limited to \$500 per employee trained not to exceed \$100,000 per company per biennium.

Enterprise Zone Authority

Encourages new or renewed development to targeted areas of the state by offering special tax incentives and eased regulations to businesses locating in a zone. Cabinet staff serves as administrator of the 10 state-designated zones and staff to the Kentucky Enterprise Zone Authority.

Bluegrass State Skills Corporation

Bluegrass State Skills Corporation (BSSC)
Department of Financial Incentives
500 Mero Street, 2100 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-2021
www.state.ky.us/agencies/edc/bssc.htm

An independent, quasi-public corporation for skills training for business and industry, from entry-level to advanced training and upgrading present employees to retraining experienced workers. Awards grants to educational institutions which work with one or more private companies to training people for jobs. Awards tax incentives to existing companies which provide skills upgrade training for their employees. Works in partnership with other employment and job training resources and programs, as well as economic development activities, to package a program customized to meet the specific needs of a company.

DEPARTMENT OF JOB DEVELOPMENT

Department of Job Development
Cabinet for Economic Development
500 Mero St., 2300 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7140
800-626-2930
www.state.ky.us/agencies/edc/job.htm

The Department is responsible for coordinating the recruitment and attraction of industries that will enhance the overall viability of the state's economy. The Department consists of the Industrial Development Division; the Site Evaluation Division; and three Representative Development offices - a Far East office in Tokyo, Japan, and a European office in Brussels, Belgium.

Industrial Development Division

Department of Job Development
500 Mero St., 2300 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7140
800-626-2930

Promotes the state as a location for new plants to domestic and international clients. Initiates and participates in out-of-state trips to recruit industry, provides clients with information pertinent to location requirements and travels with company representatives looking at sites and communities in the state. Project managers are assigned to act as liaison between the client and permitting agencies, financial institutions, training assistance agencies and local economic development groups.

The Site Evaluation Division maintains current data on available industrial sites and buildings in the state, assists communities in evaluating potential industrial sites and publishes and distributes site maps and site information. The graphics section of the Site Evaluation Division prepares promotional and informational materials for printing and display.

DEPARTMENT OF ADMINISTRATION AND SUPPORT

Department of Administration and Support
Cabinet for Economic Development
500 Mero St., 2100 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4300

The Department provides cabinet-wide support in the areas of information resources, fiscal management, budgetary implementation and control personnel support and research services. The Department consists of the Information Resources Section which manages the Cabinet's information resources and office automation system, the Division of Administrative Service and the Division of Research.

Division of Research

Department of Administration and Support
2300 Capital Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-4886

Provides information and analytical services to support economic development activities in the state through the following:

The General Research Branch - compiles data on financing, taxes, transportation, industrial services, manufacturers and economic statistics.

The Community Brochures Branch - compiles and publishes economic development resources booklets on communities throughout the state which are used to promote industrial activity.

The Economic Development Library - contains 11,000 volumes and 250 periodicals, all pertaining to and/or providing supportive data for economic development.

The Maps and Publications Office - a sales outlet for USGS and KGS maps and publications, agency publications and souvenir item for the state's tourism promotion campaign.

Maps and Publications Office
Division of Research 133 Holmes Street
Frankfort, Kentucky 40601
Phone: 502-564-4715

Business and Management Assistance Providers

Small and Minority Business Division

Department of Community Development
67 Wilkinson Boulevard
Frankfort, Kentucky 40601
Phone: 502-564-2064
www.state.ky.us/agencies/edc/smbd.htm

Serves as a resource center for small and minority business owners/managers. Encourages small and minority business development in the state by providing potential and existing small and minority businesses with information on start-ups, training, financing and business planning; directing individuals to resources that offer specialized assistance; and counseling and critiquing business plans and loan applications for small and minority business loans. Identifies construction contracts and procurement opportunities; assists in establishing relevant education and training programs that address the business needs of minority enterprises; and acts as an advocate for the expansion of small and minority businesses throughout the state. Operates an Investment Capital Network (ICN) program.

Investment Capital Network (ICN)

A computerized network and service for introducing Kentucky entrepreneurs to potential investors. A confidential computer matching procedure is used to compare entrepreneur and investor criteria.

Linked Deposit Investment Loan Program

Provides below prime interest rate loans to small businesses through Kentucky banks.

Commonwealth Small Business Development Center (CSBDC) (SBA 504)

Provides long-term, fixed asset financing for small businesses.

Kentucky Cabinet for Economic Development

SMALL BUSINESS START-UP PACKETS

Please Print or Type on photocopy of form

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

County: _____ Phone No.: _____

If you would like information on starting a specific type of business, the information will be sent free of charge.

Please indicate the kind of business you would like to start.

The Division of Small and Minority Business has compiled several informational packets. These packets contain information from books, magazines and other publications to provide a convenient resource on the selected topics as well as reference to other sources of information.

There will be a charge of \$2.00 for each of the packets ordered to help cover the cost of printing and postage.

Please check which packet(s) you would like sent to you.

_____ *Business Plan Development*

_____ *Marketing Research*

_____ *Marketing Planning*

_____ *Choosing a Business Location*

_____ *Patents, Copyrights and
Trademarks*

_____ *Business Acquisition*

_____ *Record Keeping*

_____ *Advertising*

_____ *Franchising - Buying and
Starting a Franchise*

Number of Packet(s) _____ x \$2.00 = \$ _____

Please make check payable to: Kentucky State Treasurer

Return to:

Small Business Start-up Packets
Division of Small and Minority Business
67 Wilkinson Boulevard
Frankfort, Kentucky 40601
502-564-2064

Management Counseling

Management counseling is available to Owners of small businesses, as defined by the Small Business Administration.

Uses/Services: Student assisted intensive management counseling.

Small business institutes at three Appalachian Kentucky universities and colleges:

Eastern Kentucky University
Combs 215
Richmond, KY 40475
606-622-4986

Morehead State University
UPO 964
Morehead, KY 40351

606-783-2475

University of Kentucky
355 Carol M. Gatton Business and
Economics Building
Lexington, KY 40506
606-257-9149

INCUBATORS

Kentucky has several established incubators throughout the state. The technical assistance that incubators such as these provide ranges from evaluations of business ideas to hands-on training and guidance with business plan development, financing, marketing, product development and management.

BellSouth/University of Louisville Small Business Resource Center

Are you a small business owner? Or are you thinking about starting a new small business? If you answered “yes” to either question, there’s a new free resource available to you in Louisville.

That resource center is the new Small Business Resource Center (SBRC) in the Telecommunications Research Center on the University of Louisville’s Shelby campus. This new center is the result of a partnership among the U.S. Small Business Administration (SBA), the Service Corps of Retired Executives (SCORE) and Bell South.

The SBRC’s services are available at no charge to current and prospective small business owners. On-site resources include personal computers with CD-ROM’s containing information on writing business plans, performing market research and other business functions. High speed Internet access through BellSouth.net and printed materials are also available. In addition, a 26 volume video library on “Managing your own Business” may be viewed on-site during the SBRC’s hours of operation.

SCORE volunteers will also provide personalized, confidential one-to-one and team counseling and facilitation to help people start and operate a successful small business. SCORE volunteers host workshops and seminars that provide group training meetings for local entrepreneurs. SCORE is a non-profit organization dedicated to entrepreneur education and the formation, growth and success of small business. SCORE is a resource partner with the SBA.

The SBRC operates Monday – Friday from 9 a.m. to 4 p.m. For more information on SBRC programs and services please contact the SBRC:

U of L Shelby Campus
9001 Shelbyville Road
Louisville, KY 40222
Phone: 502-582-5876
502-339-3525
502-339-3510
Fax: 502-339-3519

Ashland Business Incubator

Eligible participants: startup business in the FIVCO Area Development District.

Uses/Services: One-stop shop for educational and technical assistance for new businesses locating in a five-county area

FIVCO Area Development District
Ashland Business Incubator
3000 Louisa Street
Catlettsburg, KY 41129
Phone/Fax: 606-739-5191

Kentucky Highlands Incubator

The Kentucky Highlands Investment Corporation's incubator program, duly named the "Launching Pad" assists business in their service area. Comprised of 12 counties.

The 12 counties are:

Harlan	McCreary
Bell	Whitley
Wayne	Leslie
Clinton	Laurel
Rockcastle	Knox
Jackson	Pulaski

For more information concerning the Kentucky Highlands Investment Corporation, please contact:

Kentucky Highlands Investment Corporation
362 Whitley Road
PO Box 1738
London, KY 40743
Phone: 606-864-5175
www.ezec.gov

Colleges and Universities Entrepreneurship Development Programs

Business & Industry Technical Assistance Centers (BITAC)

The Business and Industry Technical Assistance Center (BITAC) program provides business development counseling and assistance to unemployed and dislocated workers through its model Entrepreneurial Training program. The first BITAC program located in Hazard, has been responsible for helping start over 330 businesses, with no failures to date. BITAC provides one-on-one counseling, business training sessions and direct management assistance to new businesses located in its area.

The new BITAC centers in Elizabethtown and Madisonville provide the same direct service to new and existing businesses in their areas.

For additional information on BITAC's programs, contact:

Hazard Community College
601 Main Street, Suite 1
Hazard, Kentucky 41701
Phone: 606-439-5856

Madisonville Community College
257 North Main Street
Madisonville, Kentucky 42431
Phone: 502-825-1399

Elizabethtown Community College
600 College Street Road
Elizabethtown, Kentucky 42701
Phone: 502-737-0324

Small Business Institute Program

Eight colleges and universities in Kentucky are participating in the Small Business Administration's Small Business Institute (SBI) counseling program.

The "Small Business Institute program (SBI) is designed to give Kentucky small business owners an opportunity to receive intensive management counseling from qualified, college-level business students working under expert faculty guidance.

The students meet frequently over the course of a fun university term (or more) with the small business owner to identify and solve specific management problems. Business clients receive a detailed report on the steps they need to take to make improvements in their operation.

For information on the SBI nearest you, contact:

Small Business Administration (SBA)
600 Dr. Martin Luther King, Jr. Place, Federal Building Room 188
Louisville, Kentucky 40202
Phone: 502-582-5971

Local Chambers of Commerce

Local chambers of commerce are excellent resources for helpful business information and often co-sponsor small business management seminars and provide referral services to appropriate small business assistance agencies. Several chambers in Kentucky serve as local contact points for Small Business Administration programs, providing office space for SCORE representatives and having available SBA publications and information about financing and management assistance programs.

For the chamber of commerce nearest you, check your local telephone directory or contact:

Kentucky Chamber of Commerce
Post Office Box 817
Frankfort, Kentucky 40602
Phone: 502-695-4700
www.kychamber.com

University of Kentucky Cooperative Extension Service

Cooperative Extension Service offices, located in every Kentucky county, are an extension of the University of Kentucky and are a resource for information. Assistance can be obtained by contacting your local county extension office or for specific information about enterprise and business assistance call:

Dr. Rick Maurer
Rural and Economic Development
Phone: 606-257-7582

Dr. Patty Rai Smith
Home-Based Business
Phone: 606-257-3898

Drs. Maurer and Smith are located
at the University of Kentucky.

Kentucky Retail Federation

The Kentucky Retail Federation (KRF) is a non-profit organization geared toward improving Kentucky's business and governmental relations climate for the state's retailers. The KRF accomplishes this through a number of member services. One of the most important is legislative representation. Among other things, the Federation has successfully lobbied for increased penalties for shopping and bad check offenses, a transient merchant law and a civil recovery law.

The KRF also offers members services such as low cost life, health and disability insurance and bank card programs. The Federation also keeps its members informed through its communications program. The Federation's monthly publication, The Kentucky Retailer and specialty mailings keep members up to date with state and federal legislation and

regulations that affect their businesses. Members learn not only what the rules and regulations are, but what they have to do to comply. The publications also offer practical advice for retail establishments and have a classified service to help members try to sell surplus equipment.

The KRF also seeks to raise public awareness of issues like economic impact of shoplifting through public service campaigns.

Kentucky Retail Federation
512 Capitol Avenue
Frankfort, Kentucky 40601
Phone: 502-875-1444
www.kyretfed.com

Lawyer Referral and Information Service

The Lawyer Referral and Information Service provides a referral service to assist businesses in identifying an attorney.

Fees: \$20. Entitles client to a one-half hour consultation with an attorney.

Lawyer Referral and Information Service
Louisville Bar Foundation
707 West Main Street
Louisville, Kentucky 40202
Phone: 502-583-5314
www.legalneetwork.net/lba

Kentucky Society of Certified Public Accountants (CPAs)

The Kentucky Society of CPAs provides a free CPA referral service to assist small businesses in locating an accountant skilled in the type of work needed. The Society publishes annually the Kentucky Small Business Advisor which contains information for small businesses on financing, income taxes, computers, cash flow analysis, working with an accountant and simple accounting systems. --FREE

Kentucky Society of Certified Public Accountants (CPAs)
1735 Alliant Avenue
Louisville, Kentucky 40279
Phone: 502-266-5272
1-800-292-1754
www.kycpa.org

Mountain Association for Community Economic Development, Inc. (MACED)

MACED is an organization formed out of an alliance of community-based groups in East Kentucky and Southwest Virginia. MACED provides direct technical assistance to community organizations and individual enterprises during the planning phase of the start-up or expansion of a small business; assists community organizations in designing their development programs, gaining planning skills and learning to find and use resources; and identifies and tests new strategies for stimulating community controlled economic development in the region.

Small enterprise development efforts have been assisted by MACED through projects including feasibility analysis for start-up and expansion efforts, market research, recruiting and training

management, finding and negotiating financing, developing production and marketing plans, diagnosing and collecting operating problems and developing business plans for startups and expansions.

Mountain Association for Community Economic Development, Inc. (MACED)
433 Chestnut Street
Berea, Kentucky 40403
Phone: 606-986-2373
www.maced.org

What is WINGS?

Women's Initiative Networking Groups (WINGS) is a nonprofit organization that provides entrepreneurial training, marketing consultation and networking opportunities to low- and moderate-income women interested in starting their own business.

Our focus area, Appalachian Kentucky, is rich with talented and resourceful women. Unfortunately, it does not boast a wealth of employment opportunities. Many women are forced to take low-wage, low-satisfaction jobs or rely on public assistance.

Not willing to accept these options, WINGS members have chosen self-employment as a way to use their talents and abilities to provide a steady income for their families without sacrificing personal satisfaction. For these members, the WINGS program goes beyond what the words of a mission statement can define. WINGS is truly about making dreams of business ownership a reality; about helping women to recognize their individual potential and collective strength as a group.

WINGS
433 Chestnut Street
Berea, KY 40403
Phone: 606-986-2373
Fax: 606-986-1299
www.maced.org

Business First Stop

Business First Stop is a web-based resource specifically designed for business owners in eastern Kentucky and Central Kentucky. Site features are designed to provide the site visitors with information and resources tailored to meet their needs, location and type of business. At Business First Stop, <http://www.bizfirststop.com>, entrepreneurs can locate information, resources and services quickly; connect with other business owners in the region; diagnose business problems and opportunities; and find the events to meet their business needs. Created by MACED (the Mountain Association for Community Economic Development) to help Appalachian businesses prosper, Business First Stop will be available in the fall of 1998.

Kentucky's Wood Works

Kentucky's Wood Works is a web-based resource that connects interested buyers with Kentucky's wood manufacturer's. The site's primary feature makes it easy to locate a suitable manufacturer based on specific product, species of wood, geographic location,

SIC code or business name. Other features like Equipment and Employment Classifieds and Ask an Expert offer the state's wood manufacturers a new way to connect with one another that is both convenient and affordable. Kentucky's Wood Works, <http://kywoodworks.com> was launched by MACED (the Mountain Association for Community Economic Development) to enhance the marketing efforts and business opportunities for the state's wood manufacturers.

The East Kentucky Corporation

The East Kentucky Corporation was formed in 1990 by the Kentucky General Assembly to create jobs in 43 counties of Appalachia, Kentucky. The focus of the organization is on industry attraction, industrial expansion and industry retention. Local economic development professionals work in conjunction with the Corporation to represent Eastern Kentucky at trade shows and other events. The group jointly seeks out manufacturing companies in expansion modes or those looking for a better business environment and works to convince them to locate in Eastern Kentucky.

East Kentucky Corporation also has an economic development loan fund, supported by private contributions, which is used to help create or retain badly needed jobs in the source area. Projects financed must be in the industrial, commercial or tourism business sector. The funded project must either contribute a minimum of five (5) new jobs or be instrumental in the retention of at least five (5) jobs that would otherwise be lost. The monies provided by the fund may be used for fixed asset and working capital financing. If a project is eligible, an application must be submitted to East Kentucky Corporation for staff review and preliminary approval before submission to the Project Advisory and Executive Committees, for final approval. For more information, contact:

East Kentucky Corporation
Post Office Drawer 7190
Hazard, Kentucky 41702
Phone: 606-439-0291
www.starbase21.com/eastkentucky

West Kentucky Corporation

The West Kentucky Corporation (WKC) was created by the 1992 Kentucky General Assembly as the regional economic development organization for 42 western-most counties of the Commonwealth. Its corporate mission is to bring together federal, state and local leaders to help create quality business and living environments by identifying and implementing policies and programs that will contribute to growth and development across West Kentucky.

The WKC is empowered to establish a West Kentucky Economic Development Fund and to receive and make grants, contributions and appropriations in order to carry out its development goals.

West Kentucky Corporation
Post Office Box 1428
Murray, Kentucky 42071
Phone: 502-762-3294
Fax: 502-762-3295
www.wkycorp.org

Jackson County Entrepreneurship Training Center

The Jackson County Entrepreneurship Training Center is one of six initiatives funded by the Empowerment Zone Grant for Jackson County. With a focus of assisting individuals to start new businesses and expanding existing operations the Center provides formal training and on-going support to Entrepreneurs of Jackson County.

The process generates a comprehensive, written business plan to guide the Entrepreneur in operating their venture. In addition, it can be used to obtain financing or attract investors.

The Center provides a number of other services through established strategic alliances. These include the Eastern Kentucky University's Eastern Kentucky Technology Center that operates the Center, the Small Business Administration, Kentucky Cabinet for Economic Development, Regional Development Alliance, Kentucky Highlands Investment Corporation and the Jackson County E Z Community, Inc.

Jackson County Entrepreneurship Center
Post Office Box 1080
McKee, KY 40447
Phone/Fax: 606-287-4184

Louisville Minority Business Development Center (LMBDC)

Louisville Minority Business Development Center (LMBDC)
609 West Main Street
Louisville, Kentucky 40202
Phone: 502-589-3228

The Louisville Minority Business Development Center, a one-stop business assistance and information center for qualified minority firms and individuals, provides one-on-one counseling, training and information. It specializes in business planning and business financial packaging. Data sources include information on marketing, construction and bidding opportunities, as well as government contracts. LMBDC acts as an advocate for minority firms and strives to create linkages between these firms and market opportunities.

Fees: Initial counseling session at no charge. Nominal fee thereafter.

(SCORE) The Service Corps of Retired Executives

SCORE is a volunteer program that matches retired volunteers with small businesses that need expert help. Through in-depth counseling and training, SCORE volunteers help business owners and managers identify basic management problems, determine the causes and become better managers.

Counseling before a business start-up is an important part of the service provided by SCORE.

Executives, still employed, in the business sector participate in SCORE as ACE (Active Corps of Executives) members.

This service is provided at no cost to the business person. For more information contact:

Small Business Administration (SBA)
Service Corps of Retired Executives (SCORE)

600 Dr. Martin Luther King, Jr. Place, Federal Building Room 188
Louisville, Kentucky 40202
Phone: 502-582-5976

Kentucky Small Business Development Center

The Kentucky Small Business Development Center (KSBDC) offers counseling services in the areas of management and technical assistance for small businesses and small business entrepreneurs located within the Commonwealth of Kentucky. The SBDC provides a personalized and confidential business consulting service as well as group training programs throughout the state. The SBDCs are located at strategic points throughout the state. The management consultants are supported by a full-time staff of management, financial and marketing specialists, with the faculties of Kentucky colleges and universities also available in such areas as business, legal and engineering. Examples of assistance provided include:

1. Business planning
2. Record keeping
3. Marketing
4. Assistance in obtaining financing

Such assistance is provided to retail, service, manufacturing and construction businesses, to name only a few.

There are 14 Small Business Development Centers in Kentucky. To find out which center serves your area, call the Small and Minority Business Division, Department for Community Development, at (502) 564-2064 or 1-800-626-2250 (toll free in Kentucky).

Kentucky Small Business
Development Center
University of Kentucky
225 Business and Economics
Building

CENTRAL KENTUCKY DISTRICT

Lexington Area SBDC
Lexington, Kentucky
(606) 257-7668

Elizabethtown SBDC
Elizabethtown, Kentucky
(502) 765-6737

Bowling Green SBDC
Bowling Green, Kentucky
(502) 745-1905

Northern Kentucky SBDC

Lexington, Kentucky 40506-0034

Phone: 606-257-7668

[Gatton.gws.uky.edu/Kentucky
Business/KSBDC/KSBDC.htm](http://Gatton.gws.uky.edu/KentuckyBusiness/KSBDC/KSBDC.htm)

Highland Heights, Kentucky
(606) 572-6525

South Central SBDC
Somerset, Kentucky
(606) 677-6120

Southeast SBDC
Middlesboro, Kentucky
(606) 242-2145 (ext. 2034)

**GREATER
LOUISVILLE
DISTRICT**

Bellarmino College SBDC
Louisville, Kentucky
(502) 574-4770

**SPECIALTY
CENTER**

University of Louisville SBDC
(Technology)
Louisville, Kentucky
(502) 452-8282

**WEST KENTUCKY
DISTRICT**

West Kentucky SBDC
Murray, Kentucky
(502) 762-2856

Owensboro SBDC

Owensboro, Kentucky
(502) 926-8085

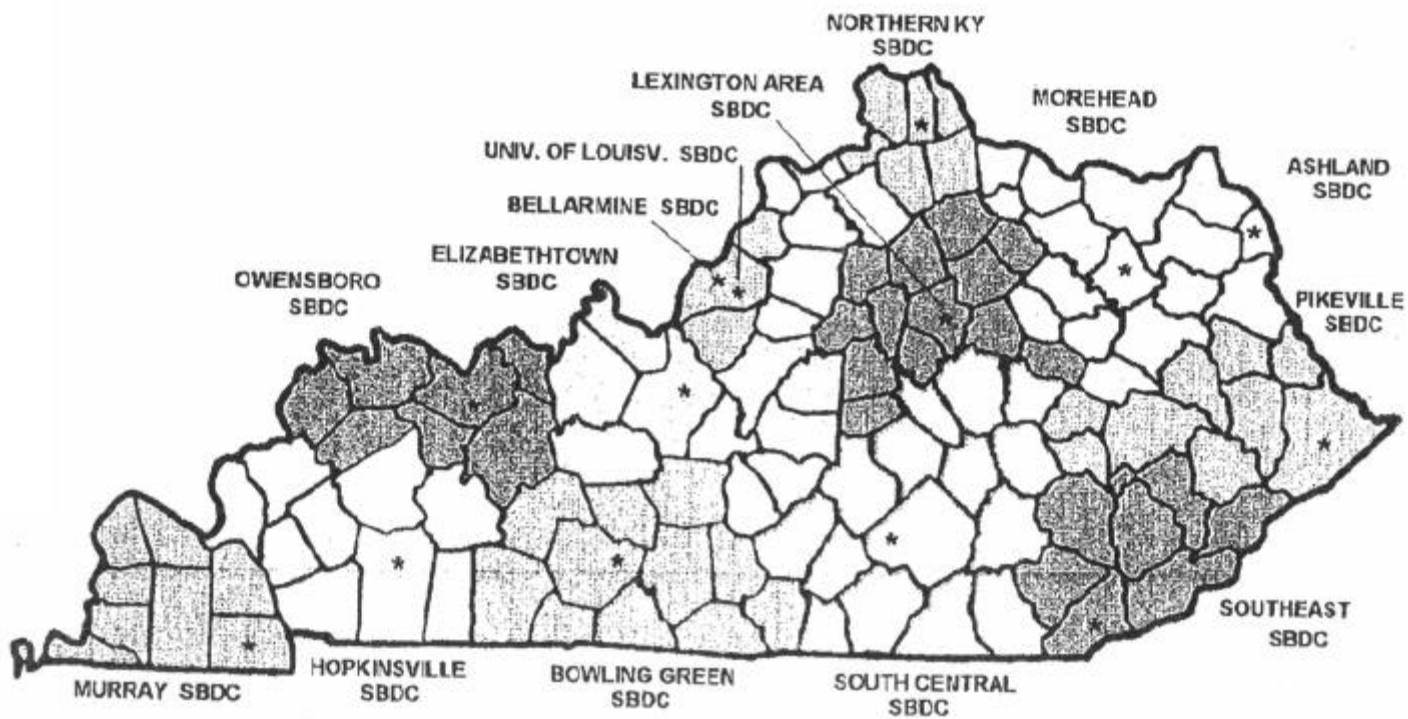
Hopkinsville SBDC
Hopkinsville, Kentucky
(502) 886-8666

**EAST KENTUCKY
DISTRICT**

Morehead SBDC
Morehead, Kentucky
(606) 783-2895

Ashland SBDC
Ashland, Kentucky
(606) 329-8011

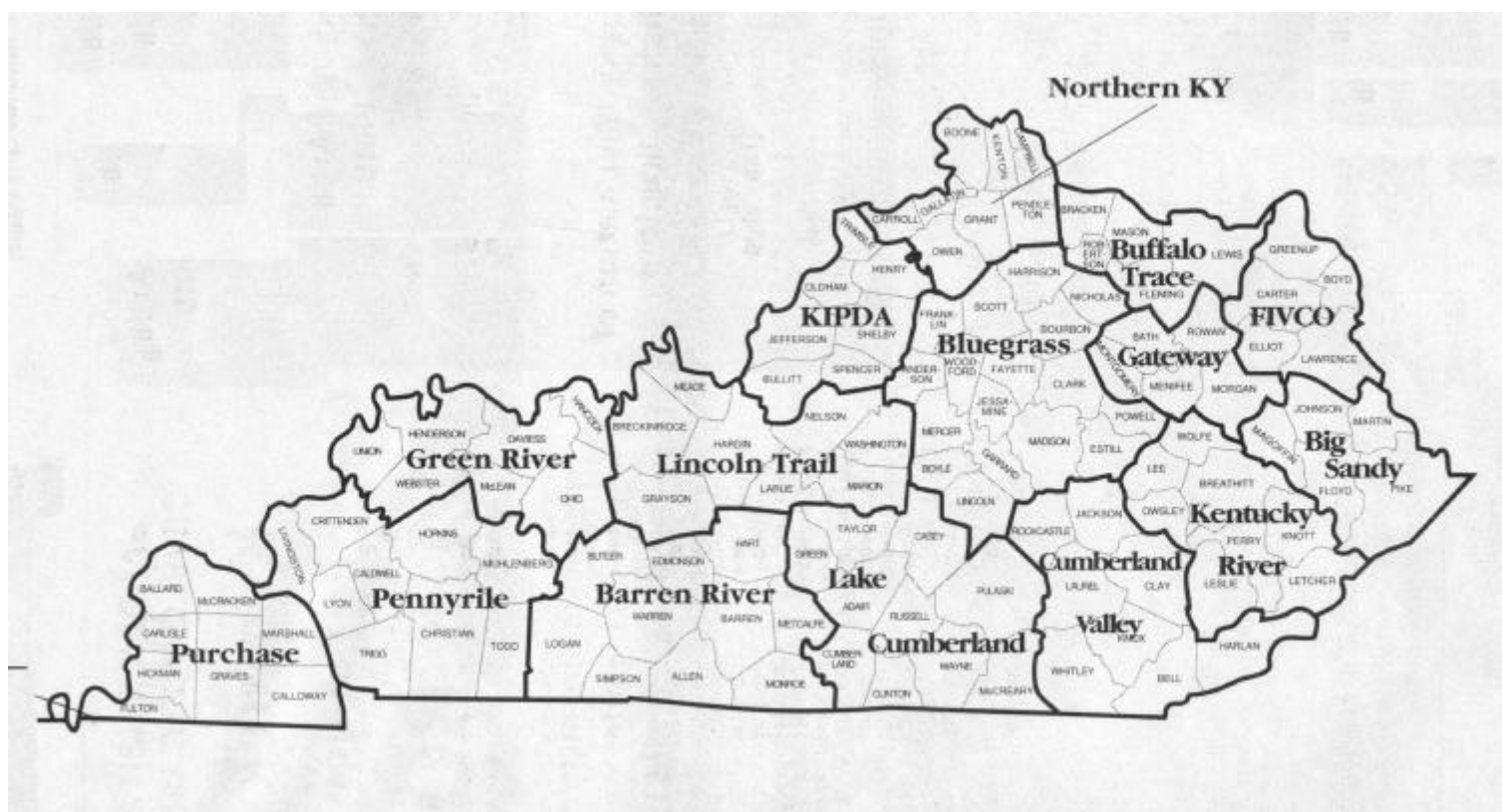
Pikeville SBDC
Pikeville, Kentucky
(606) 432-5848



Area Development District

Kentucky is divided into fifteen Area Development Districts (ADDs) and each ADD serves as a regional planning and development agency. ADDs differ in the emphasis they place on types of programs according to the regional needs. Generally, the ADDs provide assistance in the following areas: community development, criminal justice, transportation, social services, tourism, aging, housing, health, land use, manpower, natural resources, fiscal management and economic development.

For the small business entrepreneur, the ADDs can serve as a source of information, guidance and referral.



Barren River Area Development District

Bowling Green

Phone: 502-781-2381

www.bradd.org

Big Sandy Area Development District

Prestonsburg

Phone: 606-886-2374

www.bigsandy.org

Bluegrass Area Development District
Lexington
Phone: 606-269-8021
www.bgadd.org

Buffalo Trace Area Development District
Phone: 606-564-6894
www.members.aol.com/btadd

Cumberland Valley Area Development District
London
Phone: 606-864-7391

FIVCO Area Development District
Catlettsburg
Phone: 606-739-5191

Gateway Area Development District
Owingsville
Phone: 606-674-6355

Green River Area Development District
Owensboro
Phone: 502-926-4433
www.gradd.com

Kentuckiana Regional Planning
& Development Agency
Louisville
Phone: 502-266-6084

Kentucky River Area Development District
Hazard
Phone: 606-436-3158

Lake Cumberland Area Development District
Russell Springs
Phone: 502-866-4200

Lincoln Trail Area Development District
Elizabethtown
Phone: 502-769-2393
www.ltadd.dst.ky.us

Northern Kentucky Area Development District
Florence
Phone: 606-283-1885

Pennyrile Area Development District
Hopkinsville
Phone: 502-886-9484
www.peadd.org

Purchase Area Development District
Mayfield
Phone: 502-247-7171

WHAT IS THE KENTUCKY CHAMBER OF COMMERCE?

The Kentucky Chamber's mission can be compared to that of a watchdog for your business. When costly legislation and regulations are proposed, we bark loudly. We've even been known to bite on occasions. Likewise, when responsible legislation is proposed that enhances the business climate, we help facilitate the process. If a dog is a man's best friend, the chamber is surely the best friend business could ever have.

Backing up our efforts are four lobbyists who represent business in front of the state legislature and various regulatory agencies.

In addition to our lobbying efforts, the Kentucky Chamber offers a variety of services to help its members operate more efficiently. These include seminars and publications, **KARE** - the Kentucky Association of Responsible Employers workers' compensation program, **ChamberAdvantage** - a group health insurance plan and **LDDS** - a long distance discount phone service. Through these and other programs, the Kentucky Chamber is dedicated to seeing your business succeed.

A Commitment to Business

Like government, chambers of commerce operate on the local, state and federal levels. Local chambers hone in on issues that affect their communities. State chambers, on the other hand, focus on issues dealt with at the state level – that's why the Kentucky Chamber's work is so important.

Group Purchasing Power for Employee Benefits

Finally there's a way for small business owners to enlist group purchasing power for services and benefits they could not obtain individually. Qualifying members can join our group workers' compensation insurance program (**KARE**) or our group health insurance program, **ChamberAdvantage**; which offers solid group health care coverage at affordable rates.

Up-to-the-Minute Information

Every member receives the chamber's publications and special alerts. These communications give business people insight on legislative proposals and the chamber's position and resulting efforts on pieces of legislation that impact the states business climate. These resources include:

- *Business Bulletin* - a monthly newsletter that closely examines key state and federal legislation and administrative regulations, offers insight into the ever-changing world of small business, as well as information on upcoming events;
- Weekly faxes during legislative and special sessions that serve to alert members on important initiatives affecting the business community;
- Issue Alerts provided when an important piece of legislation requires the immediate attention of our members;
- VIP - the chamber's new Volunteer Impact Program - a communications network designed to help individuals positively impact Kentucky's business climate. Participants can easily get involved in a statewide grassroots fax network as well as development of chamber legislative policy;
- www.kychamber.com - the chamber's worldwide web site, receives more than 40,000 visitors each month who want current information on relevant issues, programs and events.

Timely, informative, invaluable. These are the hallmarks of every resource the chamber makes available to its members.

Membership

There is strength in our numbers. Any organization striving to address the challenges and responsibilities of free enterprise knows the truth of that statement. At the Kentucky Chamber of Commerce, our strength is drawn from the thousands of business professionals throughout the Commonwealth who are members. Members who believe the search for responsible solutions to the issues facing Kentucky's business community can only begin when that community pulls together. Members whose common vision looks to the future without losing sight of the needs of today. Members who speak with one voice to accomplish collectively what no one of them could do individually.

One voice, one vision, one business community. These are the strengths of the Kentucky Chamber of Commerce.

Representation

Every business throughout Kentucky – from Fortune 500 to family owned – needs to have a voice in state legislation. But when "minding the shop" leaves you little time to tackle the larger issues, we make it our business to provide legislative representation before state regulatory agencies. Every day, our full-time lobbyists work on behalf of the entire Kentucky business community to address diverse issues related to:

OSHA

Education

Taxes

Health Care

Environment

Workers' Compensation
and others.

And really, when you think about it, how else could you ensure that your concerns – and those of other businesses statewide – receive the attention they deserve? Membership in the Kentucky Chamber of Commerce makes it all possible.

Services

The continued strength of any organization is always dependent upon its ability to address the special interests of its members. At the Kentucky Chamber of Commerce, we offer members many unique opportunities to become involved in a wide range of programs and services, including:

- LDDS, a long distance calling discount program from one of the nation's leading providers;
- Internet Partnership Program (IPP), a special group of Internet services at discounted prices available only to chamber members. Services include: Internet dial-up, web site design, web hosting and advertising on the Kentucky Chamber's website;
- Seminars, Workshops & Conferences, offered during the year throughout the state by experts from Kentucky as well as across the U.S. Practical advice and information offered on subjects such as OSHA compliance, workers' comp, environmental law, ADA, FMLA, sexual harassment, health care and many more;
- CompData, the state's leading wage and benefits survey, to help you adjust your compensation and benefits packages each year;
- ChamberAdvantage, an affordable group health insurance plan for small business members.

Business Resource Guides

(Available through the Kentucky Chamber of Commerce)

ADA: 10 Steps to Compliance

This guide shows you exactly how to comply with the Americans with Disabilities Act using examples, worksheets, check-lists and sample forms. It will help you plan your staff training and modify employment procedures. You can fine tune your application & interview process and medical & drug testing programs. Learn the definitions and demands of “**essential functions**,” “**reasonable accommodation**,” “**direct threat**,” “**undue hardship**” and more. Save time, money and avoid costly lawsuits by ordering today.

\$60 members/\$80 non-members

Understanding Human Resource Issues and Personnel Law

Compliance is a maze. This book is the most comprehensive guide produced with the Kentucky employer in mind. Its 17 chapters are designed to help you understand what federal and state laws and regulations really mean. Each chapter is written in layman’s terms with examples and suggestions to help you develop policies that comply with state and federal regulations. The index helps you find topics quickly and easily. This publication is your map through the human resource maze. It is a resource you will turn to time and time again. \$74.25 members/\$99 non-members

Drafting An Employee Policies Manual

This book contains everything you need to know to prepare an employee handbook, including model employment policies for Kentucky employers. Now you can have the answers you need for writing your own employee handbook quickly and accurately. Simply install your employment practices into our model and you’ll have a valuable tool for protecting your business from employment mishaps and lawsuits. It is written in plain English, easy-to-read and puts answers at your fingertips. Also provided is a checklist of model policies that identifies whether they are required by law or optional. \$44.96 members/\$59.95 non-members

Kentucky Mandatory Postings

Includes Kentucky Minimum Wage and Hour Laws Postings, OSHA Notification, Kentucky Child Labor Law, Wage Discrimination Because of Sex and Equal Employment Opportunity Postings.

\$9 members/\$12 non-members

Federal Mandatory Postings

Includes Employee Polygraph Protection Notification, Minimum Wage Notification, OSHA Notification Regarding Job Safety, the FMLA and the EEOC Posting with the Age Discrimination and ADA Postings.

\$9 members/\$12 non-members

Understanding Kentucky’s Environmental Laws & Regulations

For the environmental manager, the risks presented by failing to comply with increasingly complex environmental laws and regulations are extremely high. Non-compliance can halt new facility construction or even shut down an existing plant. This book provides a comprehensive overview of the most significant laws and regulations governing Kentucky’s air, water and land. Also provided are graphical representations of the permitting process administered by Kentucky’s Department for Environmental Protection along with key agency contacts. This guide also provides all the necessary information your business or industry needs to maintain compliance with Kentucky’s ever-changing environmental laws and regulations. \$99 members/\$125 non-members

Prices are subject to change

**Call 502/695-4700 today for more information
(Shipping & handling: all delivery charges are per
order when shipped to the same address)**

Special Thanks to our Sponsors....

We wish to acknowledge the support of the following organizations for underwriting the cost of this publication:

KCCE

The Kentucky Chamber of Commerce Executives (KCCE) was formed by visionary chamber executives for the purpose of promoting ethical standards and efficiency in chamber of commerce management. KCCE assures professional development of chamber staff personnel. Most of the 115 local chambers of commerce are affiliated. The organization can assist groups desiring to start a chamber of commerce or revive a chamber that has already been formed. KCCE hosts two conferences each year. Attending KCCE conferences provides a way to get questions answered “first-hand” and meet others who can share experiences. Additional services are also provided to members.

Executives employed by a chamber of commerce or similar organization with headquarters in the Commonwealth of Kentucky are eligible for membership in this association. For more information about KCCE, please contact Nan Harnice at the Kentucky Chamber of Commerce at 502/695-4700.

Kentucky Chamber of Commerce

The Kentucky Chamber of Commerce was founded in 1946 and is the largest broad-based business organization in Kentucky. The mission of the Kentucky Chamber is “to create and support a competitive business climate in the Commonwealth through advocacy, information and customer service.”

Membership in the Kentucky Chamber has skyrocketed in recent years from 1600 members just eight years ago to more than 3000 today. Small businesses comprise nearly two-thirds of the membership.

The chamber advocates the business perspective with state government to create a climate in which businesses can compete effectively and profitably. Additionally, the organization provides support for the local chambers in the state and offers a variety of services such as **KARE** (Kentucky Association of Responsible Employers) - a workers' compensation insurance program, **LDDS** - a long distance discount phone service and **ChamberAdvantage** - a small group health insurance program. The organization also provides topical publications and conducts educational seminars for its members.

For more information about membership or services offered by the Kentucky Chamber of Commerce, call 502-695-4700.

Kentucky Industrial Development Council

The Kentucky Industrial Development Council (KIDC) was organized in 1967 to promote economic and industrial development in the Commonwealth. KIDC is a non-profit organization of economic development and associated professionals. These individuals are actively concerned with the industrial and economic development of Kentucky.

The primary mission of the Council is to develop and maintain high standards in the field through professional development programs, the exchange of information and the advancement of skills and knowledge of those engaged in the profession. In addition to encouraging the professional growth of its membership, KIDC is dedicated to educating state and community leaders in the techniques and principles of economic, industrial and community development.

For more information about the Kentucky Industrial Development Council, call 502-227-9653.

